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Japan

Japan: Hashimoto's U.S. Visit, Talks With Clinton Previewed

OW2002074596 Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Feb 96 Morning Edition p 2

[FBIS Translated Text] Prime Minister Ryutaro Hashimoto is scheduled to pay a three-day visit to the United States 23-25 February for his first summit talks with U.S. President Bill Clinton. While describing his U.S. visit as "aiming at building relations of trust between top leaders," Hashimoto intends, in preparation for the President's visit to Japan in April, to probe measures the United States will take to deal with such pending issues as the U.S. military bases on Okinawa and trade in four areas, including semiconductors. At the same time, Hashimoto wants to explain the government's plan to handle the jusen [housing loan companies] issue by using some public funds, thereby winning President Clinton's understanding.

"Ron-Yasu" Relations Crossing His Mind

"I would say that building trust is everything, rather than just the major objective." In this way, the prime minister stated his determination on his visit to the United States.

Former Prime Minister Yasuhiro Nakasone visited the United States in January 1983 to hold talks with then U.S. President Ronald Reagan less than two months after his inauguration. As a result, he was able to build up the "Ron-Yasu" relations later. It is not difficult to imagine that this fact must have crossed the prime minister's mind.

While it is true that diplomacy is an output of interests and strategies among concerned nations, it is also true that it may be seriously affected by the personal relations between top leaders. It is observed that since certain results will be expected on such issues as trade and the U.S. military bases on Okinawa during the president's visit to Japan, "it is all the more important" for the prime minister "to complete his first talks with the president in advance."

Acting in Concert

Nevertheless, summit talks should not end merely with handshakes and introductions. At the meeting, the prime minister plans to state his intention to maintain the Japan-U.S. security arrangement, thereby strengthening the foundation of the Japan-U.S. alliance in greeting the 21st century. As for realigning, consolidating, and reducing U.S. military bases on Okinawa, the prime minister intends to promote working-level consultations by confirming the importance of settling the issue early. Moreover, by explaining measures for settling the jusen issue now under deliberation in the Diet, Hashimoto intends to win Clinton's understanding, thereby securing trust in the Japanese financial system.

Consultations will also be held on measures to deal with the situation in the DPRK (North Korea), where food shortages and political unrest have been reported. Efforts will be made to confirm that Japan and the United States, as well as the ROK, will act in concert in dealing with North Korean problems, and arrangements will be made to promote close cooperation in assisting the Korean Energy Development Organization (KEDO) and supplying food aid to North Korea.

Pending Coordination

Meanwhile, it seems unlikely that concrete progress can be expected in trade talks in four fields—semiconductors, photographic films, air cargo, and insurance. Consultations on air cargo and insurance are still in progress at the working level. However, since there are great differences in the two countries' views on semiconductors and photographic films, no conditions have been created so far for further discussions by the top leaders. By trying to cautiously ascertain President Clinton's concerns about and approaches to these four economic fields, Prime Minister Hashimoto intends to prepare for the President's coming visit to Japan.

As for realigning, conslidating, and reducing U.S. military bases on Okinawa, it seems that there will be no turning point until the President visits Japan. Under such circumstances, therefore, no concrete measures for settling this issue will be brought up for discussion at the upcoming summit talks.

Japan: Hashimoto Says Upholding Security Ties 'Main' Summit Goal

OW1902062896 Tokyo KYODO in English 0527 GMT 19 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 19 KYODO — Prime Minister Ryutaro Hashimoto told a top business leader Monday that the main objective of his scheduled summit with U.S. President Bill Clinton on Friday is to help uphold the two countries' security arrangement and solidify the basis of bilateral relations, government officials said.

The meeting in Santa Monica, California, will be more for building mutual confidence at the personal level, given the limited number of participants on both sides, Hashimoto was quoted as saying.

Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), gave Hashimoto an account of what to expect of the upcoming Feb. 25-26 meeting of Japanese and U.S. business leaders in San Francisco, the officials said.

Toyoda told the prime minister that most bilateral economic problems can be solved through talks between the private sectors of the two countries.

Meanwhile, in the meeting with Toyoda, Hashimoto proposed that a proposed transfer of capital functions from Tokyo be done in conjunction with the consolidation and scrapping of central government ministries and agencies, the officials said.

Hashimoto told Toyoda that the consolidation will be possible only at the time of the transfer, though the Prime Minister's Official Residence will remain in Tokyo, the officials said.

Toyoda was quoted as telling Hashimoto that Keidanren is making a great effort to realize the shift of the capital, linking it with deregulation.

A government panel proposed in December that capital functions be transferred to a city located between 60 and 300 kilometers from Tokyo. The city must also be within 40 minutes' drive of an international airport, the panel said.

Japan: Foreign Minister on Possible U.S. Base Realignment

OW1702164296 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Feb 96 Morning Edition p 2

[FBIS Translated Text] In connection with the issue concerning the realignment and reduction of U.S. military bases on Okinawa, Foreign Minister Ikeda told a plenary session of the Diet on 16 February that "even if the current military (strength) is kept, it is possible to cut bases by taking various rationalization measures." In this way, he indicated his view that it is possible to scale down the military bases by taking such measures as streamlining bases and relocating training areas without cutting troop strength.

On the issue of reducing military facilities in Okinawa, it has been proposed within the ruling parties to relocate some facilities to somewhere on the Japanese mainland. In this connection, Foreign Minister Ikeda said "the U.S. military has repeatedly announced it is necessary to maintain a strength of 100,000 in the Asia-Pacific region, and I value their position, regarding it as a firm intention to get involved in maintaining Japan-U.S. security arrangements." Thus, he stressed that he does not have any plan for the Japanese Government to propose the reduction of the U.S. strength.

Japan: Sources Say Joint Statement To Recognize Okinawa's 'Sacrifice'

OW1802094596 Tokyo KYODO in English 0630 GMT 18 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 18 KYODO — The "sacrifice" of Okinawa residents in maintaining the Japan-U.S. security arrangement will be recognized in a joint statement issued during U.S. President Bill Clinton's visit to Japan in April, government sources said Sunday [18 February].

Foreign Ministry sources said it is "extremely rare" for the United States to approve of the use of the wording "sacrifice" in relation to its troops stationed overseas.

According to the sources, both governments have agreed to mention in the joint statement that they "understand the sacrifice paid by the citizens of Okinawa and this must be rewarded."

Also, Japanese officials working on the text of the statement with U.S. representatives have proposed creating a special action committee for working level negotiations on consolidating and reducing the size of the bases in Okinawa.

Although Okinawa makes up less than 1 percent of the land area of Japan, 75 percent of the U.S. military base facilities in Japan are located in the island prefecture.

The statement also welcomes progress on work toward consolidating and reducing the size of the bases in Okinawa with the establishment of the special action committee.

In November, representatives from both governments agreed the statement would include the expression "close attention should be paid to the issue of Okinawa where the facilities and activities of the U.S. military are concentrated."

The original draft of the statement mentioned the size of the U.S. military presence in Japan to be maintained at 47,000 troops.

But the new draft may not specify the size of the forces, reflecing Okinawas' concern that a number will lead to the likelihood the bases will remain for a much longer period of time.

The new remark takes into consideration the demands of Okinawa's residents and holds open the possibility of the elimination of some of the troops and facilities, but a final determination on the wording has yet to be reached.

Japan: Defense Agency Chief on U.S. Use of Military Land After Mar

OW1902135096 Tokyo SANKEI SHIMBUN in Japanese 16 Feb 96 Evening Edition p 2

[FBIS Translated Text] Regarding a court trial seeking an order for the Okinawan governor to perform his administrative duties on the compulsory land lease for the U.S. military, Defense Agency Director General Hideo Usui said at a 16 February news conference after a cabinet meeting: "The situation has become extremely awkward (as to whether a verdict will be pronounced before the end of March)." However, he added: "As there are commitments in the Japan-U.S. security treaty, we have to take appropriate measures for the U.S. side." He thus indicated that the government will study measures to enable the continued use of military land if a verdict is not delivered before the end of March and the land lease contracts expire.

Japan: Sakigake's Hatoyama Says Return of MCAS Futenma 'Top Priority'

OW1902135296 Tokyo YOMIURI SHIMBUN in Japanese 18 Feb 96 Morning Edition p 5

[FBIS Translated Text] On 17 February, Secretary General Yukio Hatoyama of New Party Sakigake [Harbinger] stressed that the government and the ruling coalition will work for the return of Marine Corps Air Station [MCAS] Futenma as the top priority issue for paving the way for U.S. President Bill Clinton's Japan visit in April. Touching on Okinawa's demand for the return of MCAS Futenma in a speech made at a Naha hotel, Hatoyama stated: "We must seek visible progress on the issue of MCAS Futenma, because it is a long-time wish of the Okinawan people and is a prerequisite for the success of President Clinton's visit in April. Sakigake will concentrate its energy on the issue."

After the speech, Hatoyama told reporters: "Sakigake will call for cooperation from the Liberal Democratic Party and the Social Democratic Party at the coalition's consultations on foreign and defense policies. I guess the two parties will understand our proposals."

In the speech, Hatoyama noted Sakigake is considering partial relocation of the functions of MCAS Futenma to some alternative locations in the nation, saying: "As a matter of course, we need to ask for burden-sharing by other regions in Japan." He added: "It is questionable if 47,000 U.S. troops should be stationed in Japan on the permanent basis. We do not fully understand if the U.S. Marines really need to continue exercises in Japan."

Referring to the Japan-U.S. summit talks scheduled for 23 February, Hatoyama said: "Prime Minister Hashimoto is supposed to carry on serious discussions with President Clinton. Now that the United States is undergoing the presidential election, the second summit talks (in April) are meaningless if the two nations make no achievement. In that case, Mr. Clinton may become unable to come to Japan."

Japan: SDP, Sakigake Heads Discuss Cooperation, Futenma Base

OW1902145996 Tokyo KYODO in English 1446 GMT 19 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 19 KYODO — Social Democratic Party (SDP) leader and Former Prime Minister Tomiichi Murayama and New Party Sakigake [Harbinger] head Masayoshi Takemura attended a meeting Monday [19 February] of the two parties with an eye to widening the scope of their alliance.

At the third regular meeting between the two partners of the tripartite ruling coalition, Takemura, former finance minister in the Murayama cabinet, lauded the SDP's reform efforts, participants said.

Murayama responded by saying, "we would like to deepen our communications since time is running out for the (next) general election," they said.

Both Murayama and Takemura have taken the leadership in trying to set up a new political party combining "liberal" forces ahead of the next general election, widely expected later this year.

The two party chiefs agreed to move toward realizing the return of the U.S. Futenma air base [Marine Corps Air Station Futenma] in Okinawa to Japan in time for the scheduled visit of U.S. President Bill Clinton in April.

They also decided to discuss the issue of taxation of religious organizations and other key political topics.

The two parties form the ruling coalition together with the dominant partner Liberal Democratic Party headed by Prime Minister Ryutaro Hashimoto.

Japan: U.S. Reportedly Offers To Move Futenma Air Station Unit

OW1902124096 Tokyo ASAHI SHIMBUN in Japanese 18 Feb 96 Morning Edition p 1

[FBIS Translated Text] In connection with the issue of the reorganization and reduction of U.S. military bases on Okinawa, it was revealed on 17 February that the U.S. Government has proposed to the Japanese Government that part of the functions at Futenma Air Station [FAS] (located in Ginowan City), including the Marine Corps' transport unit, be transferred to mainland Japan. The Okinawa Prefectural Government has regarded the FAS as a top priority item in the return of U.S. bases. According to Japanese Government sources, the handling of the FAS is considered one of the most important topics in coordination between the Japanese and U.S. Governments to prepare for President Bill Clinton's visit to Japan set for April. Discussions are focusing on such points as whether or not the partial relocation of the FAS will affect U.S. readiness for possible "emergency cases" such as that on the Korean peninsula; and whether or not the relocation will lead to a substantial return of U.S. bases.

The FAS is a stronghold of the air wing belonging to the Third Marine Division, which is a main body of the U.S. Forces stationed in Okinawa. The air station, which covers an area of approximately 480 square hectares, is used by the helicopter unit and the air refueling and transport units. According to the Defense Agency [DA], about 70 helicopters and transport aircraft, including two C- 12 transport planes and 12 KC-130 planes, are deployed at the FAS. The relocation of the transport units, excluding the helicopter unit, is now under study.

Okinawa Governor Masahide Ota has repeatedly asked for the return of the FAS because the air station, which adjoins residential areas, has caused noise pollution from military exercises and helicopter crash accidents. In its action program on the return of U.S. bases, the Okinawa Prefectural Government has demanded that the entire FAS be returned by the year 2001, saying it is one of the top priority items. The national government also considers the "FAS a symbolic case" in the reduction of U.S. military bases, (as stated by a Foreign Ministry source).

In the actual situation, the transfer of the helicopter unit, a main-force unit, is difficult because: 1) It is not appropriate to separate the helicopter unit from military personnel because of the roles of the Marine Corps, which requires emergency deployment; and 2) a training site which is available for joint drills of military personnel and helicopters exists only in Okinawa. For this reason, the Japanese Government observes that the United States "may try to display its consideration to Japan by relocating at least part of the FAS functions."

According to a Japanese Government source, the United States is reportedly considering relocating part of the FAS functions to the Iwakuni Base in Iwate Prefecture where the First Marine Air Wing — which is supposed to support the Marine Corps stationed in Okinawa — is deployed.

In response to the U.S. proposal, Japan and the United States have already started informal negotiations on the partial relocation of the FAS. However, many Japanese Government officials, including a (senior DA official), maintain: "Even if the transport unit is transferred from Futenma, in view of emergency cases, it is hardly conceivable that the U.S. forces will return a runway. This will not lead to a substantial reduction of U.S. bases." There is also a disparity between this U.S. proposal and the Okinawan demand for a "visible reduction of bases." Some Japanese Government officials say that "within the U.S. Government, the Department of Defense, which wants to produce results on base reduction toward the president's visit to Japan, and the U.S. forces actually stationed in Japan are facing difficulty in coming to a conclusion," (according to a Japanese Government source).

Japan: Verdict on U.S. Military Land Lease Delayed to Mid-March

OW1902122596 Naha RYUKYU SHIMPO in Japanese 16 Feb 96 Morning Edition p 1

[FBIS Translated Text] The Naha branch of the Fukuoka High Court (chief justice, Ichiro Otsuka) on 15 February postponed the cross examination of Governor Masahide Ota as the accused in the court case on the proxy signing of land leases for U.S. military bases from 23 February, which it previously set as a court prerogative, to 11 March. With this, it is now certain that the verdict will be pronounced not earlier than mid-March.

Since the national government's right to use land for the Sobe Communications Facility in Yomitan village will expire by the end of March, it is now impossible for the continued right to use this property to be obtained before the expiry date. The government intends to apply for six months of emergency usage with the Prefectural Land Expropriation Committee if it wins the court case.

However, Sadakatsu Kohama, director general of the Naha Defense Facilities Administration Bureau has also stated at an informal meeting with reporters on 15 February that if a "legal vacuum" occurs, "there may be cases where people would be prevented from entering (the facility) within the limits of management responsibility." This indicates that the national government does not rule out the possibility that permission for emergency usage may not be granted in time, and a situation of "illegal occupation" may come to pass, and it is seriously concerned about this possibility.

Kohama said that it is "extremely regrettable" that the High Court rejected the national government's claim that the governor's request for a change of schedule should be refused. He expressed his misgivings and said, "Hereafter, we hope a court decision can be made as soon as possible."

With regard to the Sobe facility (owned by Shoichi Chibana of Yomitan), the lease of which will soon expire, Kohama said that "we will do everything in our power to avoid illegal occupation." However, he indicated that apart from applying for emergency usage, there is nothing the national government can do in particular. As to the possibility of returning this facility, Kohama gave a negative answer, saying "for operational reasons, it is impossible to return the facility."

If a "legal vacuum" results, Kohama said that, generally speaking, "there may be cases where people may be prevented from entering areas directly related to the operations of the facility. Entrance will be refused if the purpose is to destroy the antenna, but if it is just entering the place to have a look, we will have to discuss the matter with the U.S. forces, which actually operate the facility, before making a decision." He indicated that even after the national government's right of usage expires, restrictions may still be imposed on entrance into the area.

Meanwhile, the landowner has already decided that if there is a legal vacuum, he will apply for a provisional court injunction for the return of land, and to prohibit obstruction to enter. If the national government still refuses to allow entry, a legal battle between the national government and the antiwar landowners, including the owner of the Sobe land, will be inevitable.

Japan: People Support Ota in Refusal To Sign Base Lease

OW2002115996 Tokyo KYODO in English
1141 GMT 20 Feb 96

[FBIS Transcribed Text] Naha, Japan, Feb. 20 KYODO — Residents of Okinawa firmly support Gov. Masahide Ota's refusal to sign documents that would force local landowners to continue leasing their land to the U.S. military, a University of the Ryukyus research team said Tuesday [20 February].

According to a survey conducted in December by the political research group, about 70 percent of the interview poll's respondents back Ota over the U.S. base issue while a similar percentage thinks the Japan-U.S. security treaty should be repealed or revised.

Ota and the Japanese central government are currently ensnared in a legal battle over the governor's decision not to sign the papers necessary to force renewed leasing of the Okinawa land occupied by U.S. military facilities.

Professor Takayoshi Egami said the results of the survey "firmly express the thinking of the people in the prefecture who wish for change in the political arrangement in Japan in order to overthrow the current situation involving the U.S. military bases."

The research team selected at random 1,000 names from a list of 810,000 eligible voters on the prefecture's main island of Okinawa last December. The team called upon each of the subjects for an interview, with 570 agreeing to respond.

Of the respondents, 71.1 percent back Ota's refusal to sign the forced leasing papers while a mere 3.7 percent said they did not support the decision.

Some 11.9 percent of the respondents wanted to see a repeal of the Japan-U.S. security treaty in the future and 57.2 percent said the accord should be revised.

More specifically, 81.4 percent said they wanted to see a change in the Japan-U.S. Status of Forces Agreement which permits a member of the U.S. military suspected of a crime to be held by U.S. authorities until an indictment is received from Japanese prosecutors.

The agreement fueled the outrage of Okinawa residents following the rape of a 12-year-old schoolgirl in September, when three U.S. servicemen suspected in the rape were not turned over immediately to Japanese authorities.

A total of 38.4 percent of the respondents said they believed more money and power from the central government should be transferred to the prefectures. Another 13.2 percent said that except for diplomatic and security matters, all authority should be transferred to the prefectures.

Further, 3.3 percent said Okinawa should be independent of Japan.

About 55.1 percent said the scale of the U.S. military bases in Okinawa should be reduced, while 27.5 percent said the bases should be withdrawn.

Only 9.5 percent said the bases are fine as is or should be expanded.

When asked if the U.S. bases should be reduced or withdrawn "even if it will hurt the prefecture's economy with the reduction of U.S. military-related income," 65.8 percent responded in the affirmative.

Some 75 percent of the land space occupied by U.S. military bases and facilities in Japan is located in Okinawa, although the island prefecture makes up 0.6 percent of Japan's entire land area.

Japan: Rengo Okinawa Requests Poll on U.S. Military Bases

OW1902122796 Naha OKINAWA TIMES in Japanese 16 Feb 96 Morning Edition p 1

[FBIS Translated Text] Rengo Okinawa [Okinawa Chapter of the Japanese Trade Union Confederation] (with Masahiro Tokuji as president and with a total membership of 48,000) is seeking a poll of prefectural residents to question the realignment and reduction of the U.S. military bases. On 15 February, Rengo Okinawa submitted to the prefectural government an application for a representative certificate that will be needed in making a request for holding residents' voting and a draft of 17-point regulations. As soon as the prefectural government issues its permit, Rengo Okinawa plans to launch a campaign to obtain the required signatures to make the request for enacting the regulations.

It is observed in some quarters that it will take about three months at the longest from the submission of the request till the residents' voting is actually held. However, Rengo Okinawa hopes that "efforts will be made to collect signatures and also persuade top leaders of the prefectural government and assembly, as well as the city, town, and village leadership, so that the residents' voting can be held in mid-April when U.S. President Bill Clinton is scheduled to visit Japan."

To request an enactment of regulations, it will be necessary to have signatures of over one-fiftieth of eligible voters. These signatures have to be collected within two months, and then a request can be submitted to the governor for enacting regulations, (as stipulated in Article 74 of the Local Government Act). In the case of the Okinawa Prefecture, it will take the signatures of less than 20,000 people to comply with this article. Based on signatures collected, a representative can submit a request to the governor for enacting regulations. Then, based on the request, the governor in turn will submit a proposal to the prefectural assembly for enacting regulations.

This will be the first case in which the regulations on holding residents' voting will be enacted based on a direct request from the residents.

In the draft for prefectural residents' voting worked out by Rengo Okinawa, the objective of the regulations is clearly stated as "aiming at clarifying the intention of the prefectural residents in connection with the review of the Japan-U.S. Status of Forces Agreement [SOFA], as well as the realignment and reduction of military bases and to contribute to the prefectural government's efforts in improving the current situation." It is also stated that "both the Japanese and U.S. Governments will be notified" of the outcome of the voting "as soon as possible."

In stressing the significance of holding such a vote, President Tokuji stated: "If we can definitely indicate our intention to reject U.S. military bases through residents' voting, it will have a serious impact on both the Japanese and U.S. Governments." He also calls on prefectural residents to cooperate in providing sufficient signatures to request the enactment of the regulations.

Tokyo Reportedly To Reject U.S. Request for Military Drill Aid

OW1902091796 Tokyo KYODO in English 0900 GMT 19 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 19 KYODO — The government has decided to turn down a request by the United States for provision of fuel, transportation and other assistance for the U.S. Military when it conducts exercises in or near Japanese territory, government sources said Monday.

Such assistance from Japan's Self-Defense Forces (SDF) could be interpreted as a collective self-defense activity prohibited by Japan's Constitution, because U.S. military drills in the Sea of Japan amount to demonstrations of power for neighboring countries, the sources said.

The U.S. request came in the course of bilateral negotiations over the conclusion of the Acquisition and Cross-Servicing Agreement (ACSA).

The government plans to submit ACSA and a related revision to the SDF Law to the Diet during the current Diet session in time for U.S. President Bill Clinton's visit to Japan in April.

Under the proposed agreement, the SDF and the U.S. military would provide each other with food, fuel and clothing, as well as help in transportation, communications, and medical and repair work.

The two countries have so far agreed to swap such services when the SDF and the U.S. military hold joint exercises or take part in UN peacekeeping operations.

ACSA was originally connected to developments on the Korean peninsula, especially if they ever prompted a naval blockade of North Korea by the U.S.

However, opposition was raised by the Cabinet Legislation Bureau and the Social Democratic Party because of concern over collective self-defense, so the government has decided to limit the agreement to participations in joint military exercises in peacetime and UN peacekeeping operations, the sources said.

Japan: ASDF, U.S. Air Force Begin Exercises Over Kyushu

OW1902070996 Tokyo KYODO in English
0140 GMT 19 Feb 96

[FBIS Transcribed Text] Kitakyushu, Japan, Feb. 19 KYODO — Japan's Air Self-Defense Force (ASDF) and the U.S. Air Force Japan began joint military exercises Monday [19 February] in the airspace over northern and western Kyushu, Japan's southern main island.

The drills, scheduled to end March 2, are being held to train personnel of the two air forces in dogfight tactics between fighter aircraft, air transport operations and other areas.

ASDF personnel and 40 aircraft from bases at Nyutabaru, Miyazaki Prefecture, and Tsuiki, Fukuoka Prefecture, were joined by personnel from U.S. military bases including those in Misawa, Aomori Prefecture in northern Japan, and Kadena, Okinawa Prefecture in southern Japan.

About 140 U.S. military personnel and 50 aircraft are involved in the exercises.

Japan: Hashimoto Cabinet Approves 200-Nautical Mile Zone 20 Feb

OW2002020796 Tokyo KYODO in English
0100 GMT 20 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 20 KYODO — Prime Minister Ryutaro Hashimoto's cabinet Tuesday approved a plan to establish a 200-nautical mile exclusive economic zone under the UN Convention on the Law of the Sea despite a worsening territorial row with South Korea and protests from China, government officials said.

Tokyo and Seoul both claim a group of islets in the Sea of Japan known as Takeshima in Japan and Tokto in South Korea.

The establishment of the economic zone also forces the issue on a territorial row between China and Japan over the Senkaku Islands in the East China Sea, called Diaoyu Islands or Diaoyutai in Chinese. Taiwan also claims the islets. Beijing is expected to ratify the sea-zone convention later this year.

The government and the three ruling parties — the Liberal Democratic Party (LDP), the Social Democratic Party and New Party Sakigake [Harbinger] — hope to open negotiations with both nations for the early conclusion of new fisheries agreements on fishery and economic matters affected by the 200-mile zone "within a reasonable period," without touching on the territorial disputes.

However, given the strong protests from both countries, the road to a new fisheries framework appears to be rocky.

The government will seek Diet approval for conclusion of the convention, hoping to ratify it by the time the ongoing 150-day regular Diet session ends June 19.

The convention obliges signatory countries to respect a 200-nautical mile exclusive economic zone off a nation's coasts. Within its zone a nation has the exclusive right to exploit natural resources and establish artificial islands.

Seoul ratified the pact late last year, but has put on hold declaring a 200-mile zone.

In addition to approving the planned 200-mile zone, Tuesday's regular cabinet meeting also decided to set up a 12-nautical mile monitoring zone, extending beyond its 12-nautical mile territorial waters, designed to prevent smuggling and illegal immigration, and to launch a review of laws pertaining to maritime control.

In establishing the 200-mile zone Tokyo intends to use the various disputed isles as base line points, from where the exclusive zone actually begins. However, Seoul plans to do the same for Takeshima. Beijing, in addition to claiming the Senkaku Islands, also insists that its territory stretches to the borders of the continental shelf.

In the past, Japan has refrained from delineating a 200-mile zone in the disputed areas, but officials say that omission encouraged fishing fleets from China and South Korea to poach in Japanese coastal waters.

Japan's renewed claim to Takeshima triggered a nationalist frenzy in South Korea with Foreign Minister Yukihiko Ikeda being burned in effigy in emotional anti-Japanese demonstrations.

A ruling coalition delegation postponed a planned trip to Seoul, originally slated to begin Feb. 11, after South Korean President Kim Yong-sam canceled his meeting with the group in protest.

Japan will seek discussions with South Korea and China on the fisheries and economic issues and sincerely strive to resolve differences through dialogue, Chief Cabinet Spokesman Seiroku Kajiyama said.

Kajiyama suggested Tokyo wants to conclude such talks at an early date, citing complaints from the Japanese fishing industry about foreign overfishing around the disputed areas.

Foreign Minister Yukihiko Ikeda told a news conference that Tokyo intends to start negotiations with South Korea and China at an earliest possible time, to discuss fishing problems arising from the ratification of the treaty.

"We would like to draw a mutually acceptable conclusion on the fishing issue as quickly as possible, while cherishing friendly relations with the countries concerned," he said.

Ikeda declined to say when Tokyo might commence and conclude negotiations with the two countries.

Kajiyama suggested Japan will make Takeshima a base point for drawing its exclusive zone, saying Japan's stance over Takeshima has been consistent.

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Ikeda declined to say when Tokyo might commence and conclude negotiations with the two countries.

Agriculture Minister Ichizo Ohara told a news conference after the cabinet meeting that Tokyo hopes to realize new fisheries agreements with both countries, based on a Total Allowable Catch (TAC) quota, by January 1997.

Four bills pertaining to the sea law convention, covering such matters as delineation of the 200-mile zone and the control of fishing operations, will be submitted to the Diet together with the ratification measure.

Ohara reiterated that Tokyo "is not thinking of making any exceptions" in regard to the zone. As for Takeshima, Ohara said the territorial dispute should be set aside to open the way for fisheries negotiations.

Noting that the planned exclusive zones of Japan and South Korea will overlap in some areas, Ohara said "the question is what we should do about these areas. We hope to expedite an adjustment at the working level."

Japan: Cabinet Approves Plan To Set Up Exclusive Economic Zone

OW1902104996 Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Feb 96 Morning Edition p2

[FBIS Translated Text] Following the ratification of the UN Convention on the Law of the Sea, a 200-nautical mile exclusive economic zone admitted by all countries will be set up. On 15 February, the government worked out a draft resolution on approving this plan. While planning to set up this zone off the coasts of Japan and allowing fishery operations by China and the ROK within the 200-nautical miles, the resolution touches on new fishery agreements and indicates that "efforts will be concentrated on working out a conclusion within a reasonable period of time." In this way, the agreement will be on the agenda for the cabinet meeting scheduled for 20 February.

Among the major items included in the cabinet-approved resolution are: (1) Junction zones will be set up to facilitate concerned agencies to take necessary measures to prevent or penalize actions in violation of laws connected with customs, finance, immigration and sanitation; (2) exclusive eocnomic zones will be set up to exercise our rights as a coastal nation in connection with the protection of fishing, mining, and the marine environment; and (3) straight lines will be used as basic lines for defining our territorial sea so that our country can appropriately exercise the coastal nation's rights in connection with our country's continental shelves.

Japan: MITI Official Urges Approval of Law of Sea Convention

OW1902072696 Tokyo KYODO in English 0653 GMT 19 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 19 KYODO — Japan should ratify the U.N. Convention on the Law of the Sea at an early date, a senior official of the Ministry of International Trade and Industry (MITI) said Monday [19 February].

"The government should endorse the treaty quickly to establish the foundation of its claim to (maritime) rights," Vice MITI Minister Tomio Tsutsumi said at a news conference.

The government is forced to handle the treaty carefully because of disputes with South Korea and other neighboring countries over economic interests.

MITI is concerned with the treaty because it is in charge of controlling Japan's underwater mineral resources.

Meanwhile, Tsutsumi urged the ruling coalition to agree on a bill to lift a ban on holding companies as quickly as possible, so that parliament can make it into a law during the current session.

The ruling coalition decided recently on a separate bill calling for reinforcing the fair trade commission and extending the retirement age for the chairman and members of the antitrust watchdog.

"Reinforcement of the commission is important as part of structural reform of the economy," Tsutsumi said.

The cabinet of Prime Minister Ryutaro Hashimoto is expected to endorse the bill Tuesday.

Japan: Hashimoto Wants 'Calm' Discussion With ROK on EEZs

OW1802171296 Tokyo ASAHI SHIMBUN in Japanese 17 Feb 96 Morning Edition p 2

[FBIS Translated Text] Japan and the ROK are in rift over Takeshima Island, claimed by both nations, and the Japanese Foreign Ministry has filed a complaint over the ROK's recent military exercise in waters off the island. On 16 February, Prime Minister Hashimoto noted he intends to deal calmly with the ROK to discuss the designation of 200-nautical-mile exclusive economic zones (EEZ) between the two nations separately from the territorial dispute.

In reply to a question by reporters, Hashimoto said at the Prime Minister's Official Residence: "I do not want further worsening of Japan-ROK relations. Japan is supposed to stress its position on the territorial issue, but the designation of the FEZ (to secure fishery rights and control over other natural resources) should be discussed in a calm manner. I would like to create an atmosphere to discuss it as calmly as possible.y

Japan: Editorial Views Tokyo-Seoul Ties From Territorial Dispute

OW2002052696 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Feb 96 Morning Edition p 2

[Editorial: "UN Law of Sea Accord, Japan-ROK Relations"]

[FBIS Translated Text] The government aims to ratify the UN Convention on the Law of the Sea [UNCLS] during ongoing sessions of the Diet. Meanwhile, the government's plan to set up a 200-nautical mile exclusive economic zone has reignited its dispute with South Korea over dominion over water areas. However, it is impossible to turn our eyes away from the significance of the agreement. We hope that the two governments will make efforts to take a realistic approach to negotiations on such issues as fisheries after ratifying the UNCLS.

Under the UNCLS, each nation will be allowed to establish a 200-nautical-mile exclusive economic zone, catch fish and use mineral resources on a preferential basis. The convention also stipulates management of the development of resources on the deep-sea bottom, setting up rules to prevent confusion resulting from certain nation's one-sided announcement of its right to manage the resources. This lays down rules in all the areas concerned.

As a result of a series of 10-year long conferences, the agreement was adopted in 1982 and came into effect in November 1994. So far, the agreement has been concluded by 85 nations, including South Korea. China is expected to conclude the treaty in the near future. It is apparent that the early conclusion of the accord is also beneficial to Japan.

Japan has previously established a coastal fishery area. This fishery area is nearly equivalent to the exclusive economic zone to be set up under the UNCLS. However, taking into account Japan's dispute with South Korea over the Takeshima Islands and its dispute with China over the Senkaku Islands, Japan has not set up a fishery area in the East China Sea and the Japan Sea west of the 135th degree east latitude. In the mean time, South Korean and the Chinese fishing boats are allowed to catch fish in the Japan-established coastal fishery zone.

Given such a situation, Japanese fishermen and those concerned are strongly dissatisfied, and they have been calling for the establishment of an exclusive economic zone. They want to see the government holding negotiations again with South Korea and China to seek a realistic fishery agreement after the establishment of the economic zone. Their calls are consistent with the government's policies, including the conclusion of the UNCLS.

However, in spite of such policies, the territorial dispute between Japan and South Korea has rekindled because it is necessary to set up the Takeshima Islands (called Tokto in South Korea) as the base line for the economic zone. Japan has a potentially similar dispute with China.

A settlement of the territorial dispute over the Takeshima Islands has been shelved despite the normalization of diplomatic relations between Japan-ROK in 1965. It can be said that Japan has taken a realistic approach in dealing with this issue. But a Japanese cabinet member's remarks claiming the island with en eye on the conclusion of the UNCLS, has stirred South Korean people's anti- Japan sentiment.

Although some Japanese politicians' remarks and behavior has given impetus to anti-Japanese feelings in South Korea, it is hoped that the South Korean side will understand that in general Japanese sentiments are extremely cool. It is apparent that the issue cannot be settled soon. At the same time it is also clear that the issue will become more difficult to solve the more people get excited. If the issue should take that course, it will not bring any profit to the two sides.

Japan: ROK, Japan Disagree on DPRK Policy

OW2002061696 Tokyo SAPIO in Japanese 28 Feb 96 pp 27-29

[Part one of two-part article by Pyon Chin-il, chief editor of KOREA REPORT: "News on 'Honolulu Talks' and Discord between Japan, U.S. and ROK an 'DPRK Business' Not Reported in Major Newspapers"; first paragraph is SAPIO's introduction"]

[FBIS Translated Text] Japan and other countries had provided food aid to North Korea to help it cope with the food crisis following heavy rainfalls last year. But Japan, the United States and the ROK have recently decided not to make additional rice aid to North Korea for the time being. With the rice issue clouding up the matter, it is becoming difficult to tell what will happen to North Korea's policy on opening up although opening up remains the most important hurdle to cross for that country to join the international community. This article delves into the Hawaii economic talks pertaining to North Korea which major news media have not reported on, and it also reviews Japan's policy on North Korea under the Hashimoto government.

The concept of developing the Najin-Songbong area in North Hamgyong Province, which is an area bordering China and Russia, into an free economy and trade zone can be said to be a "North Korean version" of the Masan Free Export Zone which South Korea set up under the Pak Chong-hui government in the early seventies. When South Korea started its economic program of attracting foreign capital investment into the export zone — using low labor wages as its selling point — and of exporting commodities processed there to third countries, North Korea ferociously condemned South Korea, calling its program "an anti-nationalist act of selling workers' blood to foreign companies" and a barbarous act of subordinating the nation to foreign businesses." But there is no doubt that South Korea's basic idea of the Masan Free Export Zone eventually became the driving force for its great economic surge which would come to be lauded by the world as the "miracle on the Han River" later on. So, in December 1991, about two decades behind South Korea, the North Korean Government named parts (746 sq km) of Najin and Sonbong counties a free economic and trade zone, and in September 1995 in Beijing, held its first event to explain conditions of investment in the zone. One can see how important North Korea considered that event from the fact that Kim Chong-u, chairman of the Committee for Promotion of External Economic Cooperation [CPEEC] who is the top man in charge of the project, personally attended it. That event was mediated by a consulting firm in Hong Kong. The introductory event was attended by about 150 persons from 44 organizations of 17 countries. Many foreign businessmen who attended it were surprised by the condescending manner of the North Korean officials. Kim Chong-u frankly admitted that investments in the zone were not as high as expected, saying: "There have been investment contracts concluded for $200 million in all, but actual investments so far amount to about only $20 million.

The major cause for investments being so low was the fact that there were no investments from the two biggest "customers," South Korea and Japan. For one, South Korean companies were not fulfilling their contracts. In his briefing, Kim Choug-u openly complained: "We are prepared to accommodate investments. We have entered into contracts with Samsung Corporation and several other companies of South Korea. Some of the contracts have set the dates for starting projects. I would like these companies, which have concluded contracts, to abide by their contracts. Otherwise, we will not trust them hereafter. Nor will we conclude any other contracts with them." Of course, while a number of South Korean companies have failed to fulfill their contracts, they themselves are not to blame for it. They are unable to follow the contracts because the South Korean Government refuses to approve them. These companies have insisted the economy should be separated from politics, but the South Korean Government is sticking to its position of not approving investments in North Korea as long as the North Korean authorities are unwilling to resume the South-North dialogue. "Why Aren't Asians Investing in Our Country?"

North Korea complains about Japan and South Korea, saying "they asked us to open up, but when we opened up, they did not want to come" (Kim Chong-u's remark), and this emotion was evident also in the "Sixth Northeast Asia Economic Forum" held in Honolulu, Hawaii, on 19 January. The forum was attended by about 150 people from the countries concerned like the host country United States, Japan, South Korea, China and Russia, and UN organizations like the UN Development Program [UNDP]. North Korea had five people participate in it with visas issued by the U.S. State Department. What was different from the Beijing event and thus made the meeting more interesting was that North Korea had Pak Myong-guk, director of the Foreign Ministry's U.S. Affairs Division, attend it as a delegate despite the fact that it was a private-sector economic meeting.

Earlier in Honolulu for three days from 12 January, there was a U.S.-DPRK meeting to discuss the return of the remains of U.S. soldiers killed in the Korean Conflict. This means that the North Korean officials were issued visas to visit the United States twice successively, and this could be seen as evidence of distance between Washington and Pyongyang being narrowed.

From Japan came 45 people including Tetsuya Endo, former ambassador to the Korean Peninsula Energy Development Organization (KEDO) who had recently been named new ambassador to New Zealand, Niigata Prefecture Governor Hirayama, and Hisao Kanemori, vice chairman of the Pan-Sea-of-Japan Economic Institute. South Korea sent about 40 including Pak Song-sang, former governor of the Bank of Korea, officials of semi-government research institutes, and businessmen. But the people who drew most attention were the delegates from North Korea.

They were led by Kim Mun-song, English speaking chief secretary of the CPEEC. He is the technocrat for external trade who had attended the earlier briefing event in Beijing.

In a roundup on the final day, Kim Mun-song expressed his complaint about South Korea and Japan, though not expressly naming them, saying: "It is difficult to understand that the Asian people are hesitant about making investments [in North Korea] while European businessmen understand us and are making investments actively."

In my previous article in this publication (of 27 September 1995), I touched on the fact that U.S. and European businesses were moving into the North Korean market, but the actual status of their investments in the Najin-Sonbong area have not been known.

Asked about the European businesses which have invested in the zone, Kim Mun-song replied to me: "insomuch as it was a conference northeast Asian nations attended, I did not want to volunteer to talk about investments from European companies. But now I think I will since a representative of a UN organization has revealed data in reference to the subject.

The Holland-ING Northeast Asia Bank has entered into a joint venture with a bank from our country; UK-subsidized Pelgrin Investment Company of Hong Kong has formed a joint venture with our government, with each investing $15 million in it; a UK company has formed a joint venture with us to operate helicopters. Heliports have been constructed, and two helicopters are due to arrive by the end of January.

"Shell Oil of the UK has concluded a contract to tentatively rent land of about 2 ha to construct a base which will be used to store and distribute crude oil, kerosene oil and other oil products. There are a dozen other companies who have promised to invest though I cannot dwell on them in detail as I have been requested not to reveal details until formal contracts are concluded."

Use of Government Funds Unavoidable for Investment in North Korea

According to information given by the UN Industrial Development Organization (UNIDO), there is another company investing from Asia besides a Hong Kong company: a Thai company is moving to invest ($350 million) in a project to construct a communications center. But the businesses of Japan and South Korea — the most important customers for North Korea — are not coming in yet.

For South Korean companies, politics has been an obstacle. So it has been for Japanese companies. The absence of diplomatic relations between Japan and North Korea has been the decisive impediment. North Korea's outstanding debts (of about Y80 billion) to Japan have been another bottleneck.

The main components of the Japanese delegation to the forum were representatives from local governments of the Sea-of-Japan coastal prefectures such as Niigata, Tottori, Shimane, and Toyama. Major corporations and trading companies were not in it since they had participated in a group sent by the East Asia Trade Research Association (led by Tetsuji Honma, former vice president of Mitsui Bussan Company) to Pyongyang as reported earlier in this publication (the 10 Jan 96 issue) and had already met Kim Mun-song and other economic officials of North Korea.

I have with me a copy of minutes of the meetings in Pyongyang kept by the delegation. According to this record, the delegation met with Kim Mun-song, Kong Chin-tae, deputy premier for economy, Yi Song-tae, chairman of tile Committee for External Economy, and Cho Won-myong and Kim Chong-gi, respectively chairman and chief secretary of the International Trade Promotion committee.

Interestingly, the recorded conversations showed that while the North Koreans emphasized the importance of beginning economic exchanges between the two countries before their diplomatic relations are normalized, the Japanese repeatedly insisted, "We would like you to proceed toward normalizing the diplomatic relations first."

The following remarks made by Japan's Chief Delegate Honma in response to a question from North Korea's Cho Won-chol, I think, very well explains why Japan wants North Korea to resume talks on rapprochement.

"It is only natural that businessmen wanting to import big plants or to obtain large financing would want long-term, low-interest payment terms on their deals.

"Meanwhile, the institutions which would agree to finance businesses wanting to export to North Korea are only the state-run institutions like export-import banks. While plants costing $200 million, $500 million or $1 billion are not rare, exporters cannot offer the plants to North Korea unless they can procure funds from the state-run institutions."

Honma admitted that given such circumstances, "Japanese companies are cautious about cooperating with North Korea in business ventures," but he also used the chance to remind the North Koreans of the Japanese businesses' "potential power." He said, "We would like you to know that they can do things in a powerful way once they decide to do them."

This view about the "potential power" of Japan is shared by Yukiko Fukagawa, chief researcher at the General Research institute of the Long-Term Credit Bank of Japan.

Speaking at a symposium (on the outlook for a northeast Asia economic region) in Tokyo last October, she said: "As viewed by the investment recipient (North Korea), Japanese are culturally closer than the Americans and Europeans who are different in many ways including their physical sizes. The Japanese are also known for being agile in absorbing technologies. As such, the North Koreans probably have strong hopes on Japan to help them. Meanwhile, the Japanese have strong enough hopes themselves, confident that if they get serious, they can do better than Americans and Europeans. Thus they think they can wait a little."

The slowness in actions of the Japanese businesses comes from then past experiences and from the feeling that they still have some "leeway" left. But, no doubt, they do not want to miss the North Korea-bound bus either. Apparently, there is that old uniquely Japanese "abacus-aided calculation" going on here.

That attitude can be seen in Tetsuya Endo's speech before the North Korean delegation at the forum calling for the resumption of the Japan-DPRK talks as well as in a clause in the three coalition parties' accord on forming the Hashimoto cabinet which said the parties will "actively pursue to normalize diplomatic relations with North Korea."

Considerable Gap Between Japan and the United States on One Side and South Korea on the Other

Then, Secretary Kim Yong-sun [of the Workers' Party of Korea], who is North Korea's top official responsible for policy on Japan, gave a signal indicating North Korea will accept the resumption of Japan-DPRK rapprochement talks. He did this when he met Akiko Domoto of the New Party Sakigake [Harbinger] who was visiting North Korea. With that, the flurry of moves on the Japan-DPRK relations started.

It is not clear who threw the ball first, Japan or North Korea. But anyway, the ruling coalition's talk about sending a delegation to North Korea emerged soon, led primarily by the new "pro-DPRK duo," i.e. Koichi Kato, general secretary of the Liberal Democratic Party [LDP], and Taku Yamasaki, chairman of the party's Policy Affairs Council.

The LDP leadership's scenario on resuming the Japan-DPRK talks was to, first, name former Prime Minister Tomiichi Murayama as chairman of the Japan-DPRK Dietmen's Union, and have him lead the delegation to Pyongyang. The Dietmen's Union has not been in operation since Dietman Hajime Ishii of the New Frontier Party resigned as its head.

According to that scenario, Hajime Fukada of the Social Democratic Party of Japan [SDPJ] was to be sent to Pyongyang to sound out its view on sending Murayama, and Taku Yamasaki was to be sent to Seoul to seek its understanding on Japan's sending a delegation to North Korea. But that scenario did not work out as Murayama declined to take the post.

Kato and his group had thought Murayama, being a former prime minister, would be an ideal man to head the organization, but they would have had a hard time getting North Korea to agree to his appointment to the post since North Korea had wanted someone powerful from the LDP camp in that post. On the other hand, South Korea had complained about Japan approaching North Korea before the South-North Korea talks made progress. Given the situation, it was not certain whether or not Yamasaki's visit to South Korea would actually take place either.

The delicate "voice of discord between Japan and South Korea, with regard to policy on North Korea, stems from the difference between the national interests of the two.

One of the assumptions South Korea makes about national reunification is that the food crisis in North Korea would lead to disintegration of its regime, which would enable South Korea to unify the North in the form of absorbing it. To South Korea which considers the food crisis in North Korea the best-ever chance for national unification, Japan's recent approach on North Korea looks like an "obstacle to national unification" (words of President Kim Yong-sam). But Japan wants to maintain the status quo on the Korean peninsula, and does not want North Korea's food crisis to develop in the direction pictured by South Korea. Besides, if the food crisis leads to a crisis in the North Korean regime, with it leading to North Korea's invasion of South Korea, and thus starting a second war on Korea, that can result in an exodus of refugees which can be a major issue of security threat to Japan. Japan appears to think that for peace in the Korean peninsula and for the security of Japan, stability in North Korea is as important as stability in its ally South Korea. In a meeting of vice foreign ministers of Japan, the United States and South Korea held in Honolulu, the three countries agreed to stop giving food aid to North Korea until next spring. This means Japan and the United states yielded to South Korea's position on the matter, even though it is still possible to provide food aid through international organizations, and if necessary to prevent North Korea's food crisis from developing into a condition critical in terms of security. A gulf exists between Japan and the United States on one hand, both of which want to handle the North Korean issue as their diplomatic issue, and South Korea on the other, which wants to handle the issue as its domestic issue, and this gulf apparently provides a loophole through which North Korea can slide.

Japan: Official Notes Withdrawal of Some DPRK Aircraft From DMZ

OW1802012596 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Feb 96 Morning Edition p 2

[FBIS Translated Text] The DPRK (North Korean) forces are withdrawing some airplanes from bases near the demilitarized zone [DMZ] around the ROK-North Korean border, a top Defense Agency official said on 16 February. The Japanese, U.S., and ROK defense authorities have been on the alert for the North Korean forces concentrating over 90 airplanes on three bases within 40 kilometers from the DMZ since last October.

The Defense Agency official also noted the North Korean forces scaled down their regular winter training programs this year.

Referring to drastic increase of refugees from North Korea, the Defense Agency official noted an early collapse of the Kim Chong-il regime is unlikely at least under the present situation, saying "the people are seemingly feeling uneasy, but this will not result in a political overturn."

Japan: EU Urges Tokyo To Act on Deregulatory Proposals

OW1902092196 Tokyo KYODO in English 0850 GMT 19 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 19 KYODO — The European Union urged Monday [19 February] further deregulation in Japan, Foreign Ministry officials said.

A high-level mission of the European Commission filed the request at a meeting in Tokyo on Monday with the Japanese Foreign Ministry, the officials said.

At the meeting, the EU compared the list of 190 specific deregulatory proposals it made to Japan in November last year with the actual ongoing deregulatory process and noted the process has become stagnant, the officials said.

The mission urged the Japanese Government to take measures such as rationalizing inspection procedures for construction materials, simplifying regulations restricting imports of agricultural products and speeding up customs procedures for cut flowers.

Japan: Spokesman on Mongolian Aid, UN Reform

OW2002105896 (Internet) Japan Ministry of Foreign Affairs WWW in English 13 Feb 96

[News conference by Japanese Foreign Ministry Spokesman Hiroshi Hashimoto with unidentified reporters on 13 February; place not given; from the "Foreign Policies, Press Conference" link]

[FBIS Transcribed Text] [Topics of Discussion] I. Holding of the Fifth Mongolian Assistance Group Meeting II. Fundamental Japanese positions on the reform of the United Nations III. Situation regarding Takeshima Island and other territorial issues IV. Upcoming summit meeting between President William Clinton of the United States of America and Prime Minister Ryutaro Hashimoto V. Japan's view of the situation in the strait between the People's Republic of China and Taiwan VI. Possible upcoming talks between Japan and the United States of America under the World Trade Organization (WTO)

I. Holding of the Fifth Mongolian Assistance Group Meeting

[Foreign Ministry Spokesman Hiroshi Hashimoto]: Good afternoon, ladies and gentlemen. The first announcement is related to the Fifth Mongolian Assistance Group Meeting. I would like to draw your attention to the fact that the purpose of this Group is international assistance for Mongolia's effort for democratization and the transition to a market economy; Japan continues its active cooperation, putting priority on the establishment of a basis for achieving a stable self-supply of food and energy. Mongolia is an important neighbor of Japan, and the bilateral relationship has been developing rapidly; from 27 April, regular air service will be commenced between Mongolia and Japan. Nowadays, Japan has become Mongolia's top export partner. We hope that this Fifth Mongolia Assistance Group Meeting will be successful.

II. Fundamental Japanese positions on the reform of the United Nations

Foreign Ministry Spokesman Hiroshi Hashimoto: The second announcement is related to the fundamental Japanese positions on the reform of the United Nations. I would just like to point out some important points in the reference material distributed to you. Currently, four major working groups are working for the reform of the United Nations. The first one is the Open-ended Working Group on the Question of Equitable Representation on and Increase in the Membership of the Security Council and Other Matters Related to the Security Council; the second is the High-Level Open-Ended Working Group on the Financial Situation of the United Nations; the third is the Ad Hoc Open-Ended Working Group of the General Assembly on an Agenda for Development; and the fourth is the Open-Ended High-Level Working Group on the Strengthening of the United Nations System.

Japan believes that the efforts to reform the United Nations should aim at the creation of a system in which the rights and responsibilities of Member States in the political, economic and social fields, as well as in the financial field of the organization, are kept in balance, and reflect the changing realities of the international community. As for the first issue, which is the enlargement of the Security Council, Japan considers that by the end of the current 50th Session of the General Assembly, the working group should present to the General Assembly a basic framework for Security Council reform. Japan is of the view that the working group must establish an effective working method, so that it can begin the negotiating process. We are of the opinion that intensive negotiations are necessary. As for the substance of the reform, Japan believes that it is essential to bring about a limited increase in the permanent membership of the Security Council, and at the same time, to add an appropriate number of non-permanent seats; also, the enhancement of transparency in the Security Council's working methods is necessary.

As for the second working group related to the financial situation, the Government of Japan believes that the Member States should address the problem of finance as one ingredient of an overall plan for the reform of the organization in all of its aspects. Therefore, the financial problems will have to be solved within the framework of a well-balanced and comprehensive package, which should include reform proposals not only in the financial area, but also in the social and economic areas, as well as in the political area. In other words, we are against the idea of singling out the financial issue and trying to solve it separately. As for the scale of contributions, we believe that a linkage should be established between the responsibility that the Member State is expected to shoulder within the organization and the apportionment of its financial burden. So, if we term the present system, "the capacity to pay," we believe that a system termed "the responsibility to pay" should be created. In this sense, the permanent members of the Security Council should shoulder a substantial surcharge for the cost of peace-keeping operations. Japan believes that a certain minimal level of assessment could be introduced for each permanent member. As for the scale of assessment for the regular budget, Japan is of the view that a comprehensive review of all the pertinent factors should be undertaken, including the base period, the scheme of limits, and the per capita income adjustment.

As for the third working group related to an agenda for development, Japan presented elements for inclusion in an agenda for development to the working group in August 1995. Japan is of the view that a comprehensive approach is needed, that realistic development targets should be established, and that South-South cooperation should be further promoted.

As for the fourth working group, which has been tackling the issues of reform of the General Assembly and of the Secretariat, we think the issues before this working group are also very important.

III. Situation Regarding Takeshima Island and Other Territorial Issues

Q: Can you bring us up to the moment on the current tension between South Korea and Japan? More specifically, according to your information, what is the nature of the so-called improvements which South Korea wants to carry out on Takeshima Island? Also, what is your understanding of the scale of the military exercises which they are planning?

A: I will answer your second question first. We know that, on 12 February, the Department of Defense of the Republic of Korea announced that the Korean side intends to hold joint drills of its navy and air force sometime in the first quarter of this year. But, we also understand that the Department of Defense has not announced when the Korean side will actually carry out the drills. Also, we do not know where the Korean side intends to carry out the drills. That is what we know about the exercises. What exactly did you have in mind in your first question?

Q: There have been reports about an additional wharf or pier on Takeshima Island, and the Foreign Minister of Japan was quoted as mentioning that this is somewhat objectionable — in the sense of improving the facilities there.

A: What the Ministry of Foreign Affairs of Japan knows is that several days ago the Ministry of Foreign Affairs of the Republic of Korea announced that the Korean side intends to carry out some ground construction related to the improvement of the safety of transport of some materials to the island. We also know that the Korean side announced that the island, historically and internationally, belongs to the Republic of Korea, and that it is legitimate for the Republic of Korea to undertake the ground construction.

Q: Apart from Japan's historical claim to Takeshima, where does it fall in terms of the 200-mile limit? Does it fall clearly inside Japan's limit, or doesn't it?

A: First of all, if you are asking me about the position of the Government of Japan on Takeshima Island, I answered one of your colleagues last week that the Japanese Government's position has been consistent. But at the same time, the Government of Japan is now preparing documents to present to the Diet for ratification of the United Nations Convention on the Law of the Sea. We are still under urgent study regarding what we should do about the so-called exclusive economic zone (EEZ).

Q: Simply, as your map shows, does the 200-mile limit in fact embrace Takeshima? Does Japan's 200-mile limit map show Takeshima falling within the 200-mile limit, or is it outside, or sort of on the border?

A: From where do you measure 200 miles? From the mainland of Japan? I don't have a map here, but the Government of Japan has not decided whether we will establish the exclusive economic zone in that area yet. At present, under the provisional law, we have established the fishing zone. However, the fishing zone has not been established in that part of the sea which is very near the Korean peninsula and the People's Republic of China. So, in other areas, we have already established the fishing zone. But as for the EEZ, we have not established the zone yet.

Q: So the claim is purely historical, at this point. Is that correct? Japan's claim to the island is based on historical claims, rather than on delineated borders?

A: If you are just asking me the position of the Government of Japan on the island itself — historically, what I should say is that, first of all, the position of the Government of Japan is consistent; but at the same time, we know that the position of the Government of the Republic of Korea is different from that of Japan, and we do not want to see this difference jeopardize the friendly relations between the two countries. We do not want to see it lead to emotional confrontations between the two nations.

Q: Why has Japan chosen this particular time to ratify the United Nations Convention? Why now?

A: The Parliament of the Republic of Korea has already ratified the Convention on the Law of the Sea, and we understand that the Chinese Government is also going to present their legislation to their congress, and numerous other countries have already ratified the Convention on the Law of the Sea, and the Japanese Government intends to present the relevant laws and regulations to the present session of the Diet.

Q: Can you give us a bit of background on the history of the island and the history of Japan's claim to it? Secondly, from the photographs we've seen of the island, there is obviously a South Korean presence there — a flag, and there are said to be guards or at least officers there — and I read one report which said that there had been a Korean presence there since 1954. If this is a cause of great concern, why hasn't Japan acted earlier to prevent this work and this presence being established?

A: Probably, you know that between Japan and the former Union of Soviet Socialist Republics and the present Russian Federation there are territorial issues. For a long, long time, we have been calling on the Soviet and Russian Governments to return the islands to Japan, but at the same time, we have to admit that those territories are illegally occupied by the Russian side. So, it is not unnatural that Japan claims, but at the same time the other government also claims, possession of the territories. We understand that the Government of the Republic of Korea has been sending a number of people to Takeshima Island. But, our position on Takeshima Island has not changed, and the position of the Government of Japan has been kept clear both to the Japanese people, and to other countries as well.

Q: Could you tell us a bit about the history of the island and the Government of Japan's position? When was that position first delineated?

A: If you do want to know the history of the island, of course, I can explain it to you a little. But, I understand that there is a difference in the positions of the two governments. It is very unfortunate that the Korean people are strongly resistant on this issue, and the Government of Japan doesn't want to have the issues handled roughly. We sincerely hope that both Japan and the Republic of Korea can talk in a quiet atmosphere, and we should do our best not to jeopardize the friendly relations between the two countries. This is very important now, although our position hasn't changed. So, I'm not sure whether it is advisable or appropriate for me to answer you directly. But, if you want to know some historical background and so on, I think I would like to consider what we can do for you.

Q: Just to clarify — I didn't quite understand your response to my colleague's question about the nature of Japan's claim. Is it a historical claim based on prior occupation of the island, or is it based on the 200-mile territorial limit and on international law?

A: First of all, it has nothing to do with the 200-mile economic zones. This is related to sovereignty. Last week, the Government of Japan conveyed its position to the Government of the Republic of Korea. In doing so, the Government of Japan made clear once again its position on Takeshima Island. Today, I would like to stress that, although the Japanese Government's position hasn't changed, we would like to see this issue handled in a very quiet manner.

Q: You say it is Japanese-owned soil. Does Japan have any intention to increase its military presence in the area?

A: First of all, we do not have a military presence near Takeshima Island. Every now and then, the Maritime Safety Agency sends their ships to the area around Takeshima Island.

Q: Do you expect the talks to be successful, given that Korea is mounting military exercises in the coming weeks? They seem to be very determined to claim the island as their sovereign soil. So, Japan and Korea are almost deadlocked on the issue. How successful do you think the talks will be?

A: First of all, we still do not know actually when and where the Government of the Republic of Korea is going to carry out the exercises, so we have to wait until we know the details. Secondly, the issue has existed for a long time and has been known to everybody. There is no secret about this. That is one thing. But this is completely another — how carefully, and how skillfully, we are able to handle the issue. But unfortunately, now, the Korean people are so very upset, if I may say so.

Q: Would Japan be prepared to use force?

A: The Government of Japan has never intended to use force at all. We just would like to hold talks in a peaceful and quiet manner.

Q: Do you rule out the use of force?

A: We do rule it out. Yes.

Q: There is no question of force being used?

A: No. Definitely, no. No. No.

Q: Why has Japan not established an exclusive economic zone until this time, and when do you think it will make a decision on whether to establish it?

A: First of all, what I can say is that the Government of Japan is now preparing very thick documentation; there are lots of ministries and agencies involved, and all of us are now in the process of preparing the papers for the present session of the Diet. In general, when the Diet is debating the budget, they do not have time to discuss other issues; so keeping that in mind, we will have to find an appropriate time to do so. But now that the Conference of the Law of the Sea is successfully over, and that the Government of Japan has been preparing to ratify the Convention, we think it is now high time for us to present this to the Japanese Diet. But the Japanese press speculates about when the Japanese Cabinet is going to announce its intentions for domestic regulations related to the Convention on the Law of the Sea. Some Japanese press speculate it will be as early as this week; some Japanese papers speculate that it will be soon. So, if your question is related to this, we say that we are under urgent study. But today, I cannot tell you when the Cabinet will — [as received].

Q: You can ratify the Convention on the Law of the Sea without establishing an exclusive economic zone?

A: We should separate the two, yes. As far as the Japanese Cabinet is concerned, it will state the fundamental position of the Government of Japan on the related domestic regulations. But the domestic laws and regulations themselves will be formally presented to the Diet a bit later — not soon.

Q: You have mentioned that South Korea announced it is going to have a naval-air exercise, and that South Korea plans to reinforce the port facilities. Does the Japanese Government see any link between this series of developments?

A: Probably, the Japanese Government shouldn't speculate on that kind of delicate question, and we do simply await whether, or when, or how the Government of the Republic of Korea is going to announce a more detailed plan for the exercises.

Q: Mr. Hashimoto, you sound — I will say — very, very calm about this development, which is obviously attracting a lot of media attention here. Could you tell us how the Government of Japan is evaluating the entire development over the last several days?

A: The Government of Japan has been keeping — if I may say so — a moderate posture on matters related to territorial issues, although the position of the Government has not been changed. This can be related to Russia, too. In the case of Russia too, we do not think that the use of force would be a solution; we have got to peacefully negotiate with the Russian side. Just to react violently will not help the solution to the issue at all. So, our stance is firm, but at the same time we always seek peaceful talks.

Q: Have you heard anything from China, or seen any Chinese comment about the ratification of the Convention on the Law of the Sea and your claim to the Senkaku Islands?

A: On two occasions. Several weeks ago, when Director-General of the Asian Affairs Bureau Ryozo Kato visited Beijing, he informed his counterpart that the Japanese Government intended to present the laws and regulations related to the Law of the Sea to the Diet. This is the first. The second is that, when Minister for Foreign Affairs Yukihiko Ikeda met his Chinese counterpart at Phuket in the Kingdom of Thailand at the ASEM Asian Foreign Ministers' Meeting, he also conveyed this intention to his counterpart. The Chinese side, on both occasions, said that we should handle this matter carefully, because there are certain delicate issues.

Q: If the Japanese Government ratifies this Law of the Sea in the current session of the Diet, does it automatically mean that Japan will impose a 200-nautical mile exclusive zone?

A: No. We would be entitled to do so, but it does not necessarily mean that we will automatically do so. As far as that issue is concerned, we are, as I told you, under an urgent study regarding what we should do.

Q: Related to the Senkaku Islands — I think Foreign Minister Ikeda said something this morning about the Chinese side conducting some oil drilling in the Senkaku Islands, and there was some talk about the Chinese side conducting this on their side of the medium line, or something, which I didn't understand. If you could go into that a bit, please.

A: I do not know how to pronounce the name in Chinese, but in Japanese, the oil-drilling rig, Kantan San-go, is stationed in the sea which is near the Japanese side. One ship which belongs to the Maritime Safety Agency actually seized that rig located over there, and the Japanese side has actually witnessed that, from the top of the rig a flare was noticed; so there is a possibility that exploratory drilling was done by the Kantan San-go. But at the same time, the Japanese side noticed that the Chinese side may be preparing to move the rig. As far as the location of the Kantan san-go is concerned, it is within the Japanese side - - from the median line between the Japanese side and the Chinese side. I am sorry, but I cannot explain this to you in an academic way. It seems that there is a difference in interpreting the location of the median line between the Japanese side and the Chinese side.

Q: Is this median line a gentlemen's agreement, or was it firmly established in a diplomatic memorandum, or anything like that?

A: When we have the laws and regulations regarding the Convention on the Law of the Sea ratified, and if the Chinese side also does the same, we have got to talk and actually agree where exactly the median line should be established.

Q: If bilateral solutions cannot be found to these problems of Takeshima and Senkaku, and if Japan ratifies the Convention on the Law of the Sea, would Japan be in favor of taking the issue to the International Court of Justice for a ruling on the legitimacy of the opposing claims?

A: As far as I understand, we have no intention to do so, because in general I can tell you that, unless the two parties agree, they cannot go to the International Court of Justice.

Q: Can you tell us about the bilateral discussions which are going on or which are planned between Japan and the Republic of Korea on the Takeshima question, and whether it is likely to affect the summit between Prime Minister Hashimoto and President Kim Young Sam of Korea?

A: As far as Takeshima Island is concerned — unlike the issue of the Northern Territories, a sort of bilateral framework has not been established. Secondly, as far as the Asia-Europe Meeting (ASEM) is concerned, Prime Minister Ryutaro Hashimoto intends to attend the Meeting so far as domestic issues, such as the Diet deliberations and so on, allow him to do so. Still we actually do not know when and how Prime Minister Hashimoto can go to the Bangkok Meeting. In this sense, possible bilateral meetings over there have not been arranged for Prime Minister Hashimoto at all, yet. It is simply premature for us to say whether bilateral talks between President Kim Young Sam of the Republic of Korea and Prime Minister Hashimoto will take place over there or not.

Q: You obviously place a lot of emphasis on the need for resolving this by talking and negotiating. Are there no plans to establish some kind of bilateral mechanism? Are any discussions going on at any level?

A: For the time being, no. In any case, we need a quieter atmosphere, and unfortunately, this is not the case now.

Q: Given the importance of both Japan and the Republic of Korea to the United States in terms of its forward deployment of force in East Asia, is there any chance that the United States might help to mediate this dispute between Japan and Korea?

A: I don't think so. It should be handled solely by Japan and the Republic of Korea.

Q: You replied to an earlier question that, in any case, if you have to create a bilateral forum to resolve this feud, you need a quieter atmosphere — [as received].

A: I didn't say so. I simply answered the gentleman's question. I said that we need a quieter — [as received].

Q: That was your answer, but now, could we be a bit more specific? Do you think a quieter atmosphere would exist after the Korean elections?

A: I am probably not entitled to make a comment on this. I am not sure whether it is appropriate for a civil servant to answer that kind of question. Sorry.

Q: I was going to ask the same question.

Q: When you say the "Takeshima issue," are you referring to an island called Takeshima, or are you referring to a group of small islands?

A: In Japanese, we say Takeshima — but it consists of two small islands. We just simply call them Takeshima.

IV. Upcoming Summit Meeting Between President William Clinton of the United States of America and Prime Minister Ryutaro Hashimoto

Q: Why did Prime Minister Hashimoto feel it necessary to request a summit meeting with President Clinton later this month?

A: Prime Minister Hashimoto wants to establish personal relations with President William Clinton of the United States of America. Although Prime Minister Hashimoto has met President Clinton several times in his former capacity as Minister for International Trade and Industry, he has not had a chance to do so in his new capacity. As you know, in April, President Clinton will formally visit Japan. Before that, he wants to meet President Clinton and establish a personal relationship. That is the main purpose of his visit to the United States.

Q: Do you expect ecurity concerns or economic issues to take precedence in that meeting?

A: We have not worked out the agenda, but the most important thing is to establish the personal relationship, because President Clinton will come to Japan in April, and the security matters will be discussed in detail at that time. Both Japan and the United States consider the Japan-U.S. relationship as the most important bilateral relationship in the world. So, in general, I can tell you that both leaders will reconfirm this relationship, and I think they can exchange views on the bilateral and international issues which both gentlemen are interested in.

V. Japan's view of the situation in the strait between the People's Republic of China and Taiwan

Q: Ambassador Mondale said a few hours ago that, during the meetings here with Assistant to the President for National Security Affairs Anthony Lake of the United States, Japanese concerns over China and Taiwan were raised several times. Do you think that will come up again when Prime Minister Hashimoto meets the President?

A: I am not sure in what way Ambassador to Japan Walter Mondale of the United States touched on the subject. What I can tell you is the principal position of the Government of Japan on this. The Government of Japan is carefully watching the situation in the strait between China and Taiwan, but we do not think that military conflict is possibly imminent over there. But in any case, we sincerely hope that if any problem arises between the two parties, we hope they solve the issue peacefully. That's what I can say. I am not sure what Ambassador Mondale told the press about the specific concerns of the Japanese Government. I do not think the Government of Japan has specific concerns over the situation at present. We are just carefully watching the situation.

Q: How important to Japan are the fishing rights in that area? Has it ever been suggested that there might be mineral deposits there?

A: I am sorry that I can't tell you exactly what resources are there. But in any case, surrounding that area, many vessels are engaged in fishing. Because, as you know, between Japan and the Republic of Korea and between Japan and China, we have fishing agreements. Not only in that area, but also in other areas, within the 200-mile fishing zone, according to the present agreement, the Chinese and Korean vessels are operating. Therefore, I think that both the Japanese fishermen, and the Korean and Chinese fishermen have a vital — if I may say so — a very deep interest in the Japanese fishing zone itself.

VI. Possible Upcoming Talks Between Japan and the United States of America Under the World Trade Organization (WTO)

Q: I just wanted to hear about the developments on this copyrights issue, and your stance on the U.S. request to go to the WTO.

A: Yes. We formally received the request to open the bilateral talks under the WTO dispute settlement mechanism. According to the WTO Agreement, we have got to answer to the United States formally whether we shall accept the offer or not within 10 days of the announcement of the United States Trade Representative. We are preparing for this. The last day will be 19 February, and before that, I am sure the Japanese Government is going to formally accept the talks under the WTO.

Q: So you would have talks with the U.S., but not necessarily accept what the U.S. is asking for?

A: At the WTO, we will clearly state the position of the Government of Japan to the United States.

Q: Is the complaint fair?

A: I shouldn't say whether the United States position is fair or not. But, this is a very technical matter, related to the interpretation of the TRIPS Agreement. Since this is technical, we are ready to talk with the United States side at the WTO.

Q: How do you expect the U.S. to understand Japan's interpretation?

A: As far as the present TRIPS Agreement is concerned, Japan thinks that music rights before 1971 will not be protected in Japan, while the United States side claims that the rights should be protected. So, how to interpret this under the existing WTO regime is the point; we are ready to talk with the United States side in detail on this subject. Thank you very much.

Japan: Tokyo, Egypt Agree To Cooperate in Education

OW1902070896 Tokyo KYODO in English 0441 GMT 19 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 19 KYODO — Japan and Egypt agreed Monday [19 February] on the need to expedite bilateral cooperation in the field of education, Foreign Ministry officials said.

The accord was reached at a meeting in Tokyo between Foreign Minister Yukihiko Ikeda and Egyptian Education Minister Husayn Kamil Baha'-al-Din, the officials said.

Specifically, Baha'-al-Din spoke of the need to overcome the language barrier through education as part of efforts to expand two-way cooperation in various fields, the officials said.

Ikeda replied that a team of experts to be sent to Egypt in March will look into the possibility of exactly what can be done in the education field, they said.

Japan: Spokesman on Cardoso Visit, Takeshima

OW2002123496 (Internet) Japan Ministry of Foreign Affairs WWW in English 16 Feb 96

[News conference by Japanese Foreign Ministry acting spokesman Ken Shimanouchi with unidentified reporters on 16 February; place not given; from the "Foreign Policies, Press Conference" link]

[FBIS Transcribed Text] [Topics of Discussion] I. Visit to Japan by President Fernando Henrique Cardoso of the Federative Republic of Brazil II. Situation Regarding the Takeshima Island Issue III. Recent Situation Involving a Japanese Diplomat in the Russian Federation IV. Possible Decision of the Government of Japan Concerning the Ratification of the United Nations Convention on the Law of the Sea V. Issues Related to the Russian Federation

I. Visit to Japan by President Fernando Henrique Cardoso of the Federative Republic of Brazil

Acting Foreign Ministry Spokesman Ken Shimanouchi: Good afternoon, ladies and gentlemen. Before I take your questions, I would like to make a brief announcement concerning the State Visit to Japan by President Fernando Henrique Cardoso of the Federative Republic of Brazil. President Cardoso and Mrs. Cardoso, accompanied by a suite, will pay a State Visit to Japan from 12-15 March 1996. During their stay in Japan, President Cardoso and Mrs. Cardoso will make a State Call on Their Majesties the Emperor and Empress of Japan. President Cardoso will also have official talks with Prime Minister Ryutaro Hashimoto. The Government of Japan sincerely welcomes the visit of President Cardoso, which will further strengthen the friendly relations existing between Japan and the Federative Republic of Brazil.

II. Situation Regarding the Takeshima Island Issue

Q: Could you tell me if the Japanese Government's position has changed at all regarding Takeshima Island following the military exercises by South Korea?

A: Late last night, Vice-Minister for Foreign Affairs Sadayuki Hayashi had a phone conversation with Ambassador to Japan Kim Tae Zhee of the Republic of Korea, here in Tokyo. Let me give you in a nutshell what transpired in the conversation. Vice-Minister Hayashi conveyed three points to Ambassador Kim. First, he said that we were aware that the Republic of Korea held military exercises near Takeshima; it appeared that these exercises were held in the territorial waters and air space of Takeshima, and that this was clear from the television coverage. The second point he conveyed was that the Japanese position on Takeshima was consistent. We had believed that, in the meeting between Minister for Foreign Affairs Yukihiko Ikeda and Ambassador Kim the day before, on 14 February, it was agreed that an escalation of the Takeshima issue was not in the interest of either country. Vice-Minister Hayashi said that the military exercises held on 15 February were not in keeping with the spirit of the meeting between Foreign Minister Ikeda and Ambassador Kim. Thirdly, he reiterated the position of Japan regarding this issue; he said that the position of e Japanese side was as had been stated by Foreign Minister Ikeda — that both sides needed to make efforts so that differences over Takeshima would not undermine the friendly and cooperative ties between the two countries. Ambassador Kim told Vice-Minister Hayashi that he believed that the Japanese side was well aware of the position of the Republic of Korea. Ambassador Kim told Vice-Minister Hayashi that what he had said to Foreign Minister Ikeda still stood. He said that the military exercises were a part of routine exercises. He said that he would report the contents of the conversation to Seoul. That is how the matter stands right now.

Q: OK. I have a general question about this whole dispute, if I could just follow up. Why are these islands important to Japan? They are basically just a bunch of rocks. Is it the economic importance — in other words, the mineral or the fishing potential — or is it that you are concerned about setting a precedent which might have an impact on the disputes concerning the Senkaku Islands and the Northern Territories? Why are they important to Japan?

A: The position has been repeatedly stated by the Government of Japan — in the light of historical facts and under international law, the islands are clearly Japanese territory.

Q: So you are doing this for tradition? I mean, for historical reasons?

A: I think you understand the nature of territorial issues. As I said, for historical and legal reasons, we believe it is Japanese territory. That is the Japanese position.

Q: You seem to be hinting that this is something that is a matter of principle, and this is what I am getting at. It is a matter of principle to take a stand. Is that because, if you don't take a stand here, there may be problems with the other territorial issues?

A: I think that what is Japanese territory is Japanese territory. That is the nature of territorial issues concerning Japan and elsewhere in the world.

Q: I can't pin you down more than that. OK. Thanks.

Q: There were reports that Japan has lodged an official protest with the Republic of Korea concerning the military exercises. Can you confirm? If it is not true, is Japan supposed to lodge some official protest regarding this?

A: I briefed you in detail on the phone conversation which took place between Vice-Minister for Foreign Affairs Hayashi and Ambassador Kim of the Republic of Korea in Tokyo, and I think the Japanese media is referring to this conversation when they say Japan lodged a protest.

Q: So, this is not a protest.

A: They had a phone conversation, the contents of which were as I described to you.

Q: Repeating the question, do you consider it an official protest, or not?

A: I have answered that question. They had a phone conversation, the contents of which were as I have already described to you. We do not call it a protest.

Q: You do not call it a protest. Is it more like conveying Japan's displeasure?

A: I do not want to characterize it. The reason I gave you the contents of the conversation in detail is that I wanted you to understand the nature of the talks that took place last night. I do not want to characterize this conversation using any adjective or noun.

III. Recent Situation Involving a Japanese Diplomat in the Russian Federation

Q: Let me change the theme of our discussions to a different matter. According to press reports, and according to the words of Foreign Minister Ikeda of Japan, an official of the Japanese Consulate-General in St. Petersburg was apprehended recently for allegedly attempting to smuggle some art treasures from Russia. Can you confirm this information, and have you any remarks on this?

A: Let me give you the information I have here. On 11 February, an official of the Japanese Consulate-General in St. Petersburg, as he was about to leave the Russia Federation for the Republic of Finland in his private car, had a part of his belongings seized by the Russian customs authorities. According to the authorities, there was a possibility that some of his belongings might fall under the category of works of art which require permission to be taken out of Russia. He had four items seized by the authorities. The official of the Consulate-General was told by the customs authorities that it would take about a month to inspect the items, and that, if the Ministry of Culture gave its permission, these items would be returned to him, and that if permission was not granted, that they would be confiscated. Let me tell you what we are doing now. We are seeking factual information, including information on the relevant laws and regulations of Russia, through the Embassy of Japan in Moscow and the Japanese Consulate-General in St. Petersburg.

Q: Can you confirm the name of the official that was apprehended? Mr. Sato, right? What was his first name?

A: Mr. Toshiro Sato.

Q: What was his rank?

A: Consul.

Q: Where he is now? There are reports that he is in Sweden.

A: He is back in St. Petersburg right now. He cancelled his trip to Finland.

IV. Possible Decision of the Government of Japan Concerning the Ratification of the United Nations Convention on the Law of the Sea

Q: Going back to the Takeshima issue once again — could you give us the legislative schedule concerning this exclusive economic zone, and also the gist of the agreement between Foreign Minister Ikeda and the Korean Ambassador on Wednesday [14 February] ?

A: The gist of the conversation?

Q: The gist of the agreement — not the phone conversation — before that, including the agreement.

A: This is not directly linked to the Takeshima issue, but I think you are referring to the newspaper reports about a possible decision by Japan regarding the ratification of the United Nations Convention on the Law of the Sea. We hope we will be able to reach a decision on the Convention on the Law of the Sea next week. Although I cannot give you the specifics of the decision, since we are still working on it, let me describe to you in a few words the nature of this planned decision. It will contain policy guidelines concerning the ratification by Japan of the Convention on the Law of the Sea. Based on these guidelines, when they are adopted, the Government will prepare draft domestic legislation to be submitted to the Diet together with the Convention. Our goal is to do this during the current session of the Diet. The decision itself will not establish any kind of exclusive economic zone, or any other regime; it will just set forth policy guidelines for further work towards the ratification of the Convention.

With regard to the meeting between Foreign Minister Ikeda and Ambassador to Japan Kim Tae-chi of the Republic of Korea, which took place on 14 February, the day before yesterday, let me give you the gist of what was discussed. Both sides restated the positions of their respective governments vis-a-vis Takeshima. Both sides reaffirmed the importance of the ties between Japan and the Republic of Korea. In this context, Foreign Minister Ikeda referred to the fact that both countries share common values and interests, and he emphasized that differences over Takeshima should not undermine the friendly ties between the two countries. With regard to the Convention on the Law of the Sea, Ambassador Kim said that the question of the establishment of an exclusive economic zone would arise, and said that the Republic of Korea hoped that there would be talks between the two sides. In saying so, he referred to the provision in the Convention on the Law of the Sea calling for talks between neighboring countries on the establishment of an exclusive economic zone. He added that this would not mean that the question of territorial rights would be discussed. Foreign Minister Ikeda replied that, regarding the Convention on the Law of the Sea, Japan hoped to settle the matter through talks on the question of fishing, separating it from the territorial issue. He said that Japan shared the Republic of Korea's views in this regard. That is all that was discussed between the two.

V. Issues Related to the Russian Federation

Q: Turning to Russia, do you have any comment on Russian President Yeltsin seeking re-election in June? What is Japan's position on this?

A: We do not comment on the domestic affairs of other countries, and all I can say is that we would like to further develop good ties between Japan and Russia on the basis of the Tokyo Declaration.

Q: Concerning Russia again, the leaders of several major countries are going to meet in Moscow in April to discuss some nuclear problems. Is Prime Minister Hashimoto supposed to take part in this meeting, and has an official decision on this already been reached?

A: The decision to hold this meeting was made at the G-7 Summit in Halifax, and a meeting of top leaders was envisaged. So, naturally, Prime Minister Hashimoto would like to participate in this very important meeting. We can say that it is on his diplomatic calendar. However, the final decision to go is still subject to such factors as the situation in the Diet. The official decision to go to Moscow has not been made yet.

Q: Can you suppose some problems in the Diet which would prevent the Prime Minister from going to Moscow?

A: No, we do not have anything specific in mind. But when Japanese prime ministers or cabinet ministers make overseas trips, if the Diet is in session, they have to look at the situation in the Diet very carefully, and they have to obtain the consent of the Diet before they can go ahead with the trip.

Q: Is Foreign Minister Ikeda going to visit Moscow before April to prepare for the meeting?

A: Last year, then-Minister for Foreign Affairs Andrei V. Kozyrev of the Russian Federation was in Japan for the regular meeting of our foreign ministers. Now, it is the Japanese foreign minister's turn to go to Moscow. However, as I said, with regard to Prime Minister Hashimoto's visit to Moscow, we still have to look at a number of factors, including the situation in the Japanese Diet. There is nothing specific on his calendar at this moment.

Q: So, am I to understand that there is no definite plan to visit Moscow? So, the visit to Moscow is not on the diplomatic schedule of the Foreign Minister of Japan.

A: No. Thank you very much.

Japan: EU Demands Further Japanese Deregulation

OW1902134096 Tokyo KYODO in English
1312 GMT 19 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 19 KYODO — Japan on Monday [19 February] heard a list of demands from the European Commission, the executive body of the European Union (EU), for further deregulation in advance of its planned revision of its three-year deregulatory plan in March.

The EU delegation led by Gianluigi Giola, deputy director general for external economic affairs, gave a full account of a list of some 190 items for deregulatory reform sent to Japan last November, Foreign Ministry officials said.

Among the issues raised by the EU mission are transport, standards and certification, including those for construction materials, and sanitary and phytosanitary regulations restricting imports of farm products.

In a communique released last week, the EU said there are signs that "the deregulation process in Japan is flagging." Giola said the mission came to Japan to see if that impression is correct.

"Today, I can't say our press communique was wrong," Giola said. "My impression is still in balance."

While acknowledging that things will not change overnight, Giola warned if deregulation in Japan stops or slows down, the EU will be more confrontational.

But Giola indicated the EU, unlike the United States, would not threaten to deploy domestic trade laws in its negotiations with Japan. "We don't have the same legislation (as the U.S.) if we had that, we got rid of that," he said.

The Japanese team, headed by Yoshiji Nogami, director general of the Foreign Ministry's Economic Affairs Bureau, received a positive reply on its 40-item proposals for decontrol from the EU side, the official said.

Japan: Support Rate for Hashimoto Cabinet Decreases to 42.2%

OW2002112996 Tokyo TOKYO SHIMBUN
in Japanese 18 Feb 96 Morning Edition p 2

[FBIS Translated Text] On 17 February, JIJI PRESS compiled the results of its monthly public-opinion poll for February. According to the poll, the approval rate for the Hashimoto cabinet decreased 4.6 percentage points from the January rate, to 42.2 percent, while the disapproval rate increased to 30.3 percent, 10.0 percentage points up from the previous month. Meanwhile, public criticism of the government's plan to liquidate failed housing loan companies (jusen) pushed up support rates for opposition parties.

The survey of 2,000 people 20 years or older, taken between 9 and 12 February, had a response rate of 71.1 percent.

As reasons for not supporting the Hashimoto cabinet, 16.0 percent said, "Because it will not be able to meet public expectations"; 7.9 percent noted, "Because Hashimoto is untrustworthy"; and 5.8 percent criticized "policies." The rates were all higher than those in the previous month.

Japan: Hashimoto Says LDP Not To Accept Donations From 'Jusen'

OW1702133296 Tokyo KYODO in English
1243 GMT 17 Feb 96

[FBIS Transcribed Text] Kyoto, Feb. 17 KYODO — Prime Minister Ryutaro Hashimoto said Saturday [17 February] his ruling Liberal Democratic Party (LDP) will not accept political donations from banks that are founders of failed mortgage companies, known as "jusen," until the probe into the fiasco is finished.

"Until the jusen problem is solved, (the party) is resolved to decline donations from banks which provided funds for jusen," Hashimoto said in a speech here Saturday night.

Hashimoto, president of the LDP, which is the main force in the three-party ruling coalition, said the party will formally make the decision at a meeting of its executives Monday.

Hashimoto was on a campaign for a candidate running in the Feb. 25 mayoral election in Japan's ancient capital of Kyoto.

Hashimoto's coalition government has been under fire over its controversial scheme to use 685 billion yen in taxpayers' money under the fiscal 1996 budget to help liquidate the seven failed housing loan companies.

The main opposition party, Shinshinto (New Frontier Party), has demanded a deletion of the 685 billion yen account from the budget.

The banking industry donated 830 million yen, or about 20 percent, of the 4.1 billion yen the LDP received in political donations from corporations in 1994.

Japan: LDP Decides Not To Accept Donations From 'Jusen' Banks

OW1902125496 Tokyo KYODO in English 1231 GMT 19 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 19 KYODO — The Liberal Democratic Party (LDP) decided Monday [19 February] it would not accept political donations from the 21 banks that set up the seven failed housing loan companies which are subject to the government's liquidation plan.

The LDP, the largest party of the three-party coalition, wants to avoid any criticism that it favored the banks in drawing up the plan to use taxpayers' money to clean up the financial mess of the so-called "jusen" mortgage firms.

Prime Minister Ryutaro Hashimoto, who also heads the LDP, did not make clear how long the policy will remain in place, saying only "until the jusen problems are settled."

Business leaders welcomed the decision.

Jiro Nemoto, president of the Federation of Employers' Associations, said he hoped it will mark a first step toward wider abandonment of corporate donations to political parties.

Leaders of the main opposition Shinshinto (New Frontier Party) agreed to follow suit and decline donations from banks that established the troubled housing lenders.

Takeo Nishioka, who chairs the party's Diet Affairs Committee, told a press conference that the practice of companies contributing to political parties should be reviewed entirely, not just with regard to banks.

Japan: Ozawa Says NFP Ready To Accept Money From 'Jusen' Banks

OW1802124196 Tokyo KYODO in English 1217 GMT 18 Feb 96

[FBIS Transcribed Text] Morioka, Japan, Feb. 18 KYODO — Ichiro Ozawa, leader of the largest opposition party, Shinshinto (New Frontier Party) [NFP], said Sunday [18 February] his party does not hesitate to receive political contributions from the banks that founded failed mortgage companies, known as "jusen."

At a news conference in Morioka in his native Iwate Prefecture, Ozawa attacked the rival Liberal Democratic Party's decision not to accept such donations.

Ozawa called the decision a form of temporary grandstanding, adding that the LDP, of which he was once a member, had received political contributions from general contractors despite a scandal involving Japan's major construction companies and politicians.

His comments came a day after Prime Minister and LDP President Ryutaro Hashimoto said the LDP will not accept political donations from the founders of failed mortgage companies until the completion of investigations into the housing loan scandal.

Hashimoto said his party will formally make the decision at a meeting of its executives on Monday.

Ozawa's Shinshinto has demanded that a 685 billion yen account to liquidate the "jusen" be dropped from the state budget.

In a separate development on Sunday, Kazuo Aichi, one of Shinshinto's senior policy-makers, said on an NHK [Japan state television] program that Shinshinto cannot receive political contributions from the big banks until the completion of investigations into the "jusen" case.

Japan: Hashimoto Shows Cautious Stance on Finance Ministry Reform

OW1802171096 Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Feb 96 Morning Edition p 7

[FBIS Translated Text] Prime Minister Ryutaro Hashimoto commented on the jusen issue at an upper house Budget Committee meeting on 15 February. He admitted that it will be necessary to review the government's traditional system of fiscal management, saying: "Due to progressive liberalization, (fiscal) management that has been based on protectionalism and regulations have shown their limitations." However, he indicated a cautious stance on the issue of reorganizing or splitting the Finance Ministry, stressing: "This will not be based on the idea that its structure and authority will unquestionably be reviewed." Hashimoto made the comments in response to questioning by Junji Ichii (member of the Social Democratic Party) at the upper house Budget Committee meeting.

Japan: Hashimoto 'Blasted' by Quake Victims Over 'Jusen' Bailout

OW1802110296 Tokyo KYODO in English
1025 GMT 18 Feb 96

[FBIS Transcribed Text] Kobe, Feb. 18 KYODO — Quake victims in western Japan on Sunday [18 February] blasted Prime Minister Ryutaro Hashimoto for the government's plan to pour hundreds of billions of yen into the liquidation of seven insolvent housing loan companies, known as "jusen," while they have to put up with poor housing.

Hashimoto, who is on a stumping tour in western Japan to support the Liberal Democratic Party candidate in the upcoming Kyoto mayoral race, visited several temporary housing projects earlier in the day.

"What have you come for this time? If you have money to sink into the loan mortgage companies we are entitled to get some too," the quake refugees said in a letter handed to Hashimoto.

Meanwhile 18 elderly residents from make-shift communities on man-made Port and Rokko islands off Kobe collected signatures against the 685 billion yen liquidation plan, to be financed with taxpayers' money, in a major shopping district.

Some 2,500 people signed the protest statement on Sunday, which was the second time that disenchanted quake victims had taken to the streets to promote their cause.

By the end of the month the activists hope to gather 10,000 signatures to be submitted to Hashimoto.

In Nishinomiya, Hyogo Prefecture, Hashimoto personally called on the families living in the Naruohama temporary housing project to encourage them in their efforts to cope with difficult living conditions. He was accompanied by House of Representatives speaker Takako Doi and Nishinomiya Mayor Junzo Baba.

Later the premier visited the community's contact center, where he pledged that the government "hopes to build new homes as soon as possible rather than extending the stay in the temporary houses to two years."

He promised that central government officials dealing with the aftermath of the quake will meet on the spot from now on. More than 6,300 people were killed and tens of thousands lost their homes in the great Hanshin earthquake that hit Kobe and its vicinity Jan. 17 last year.

Tsuneko Hamamoto, 54, who lives in one of the temporary homes, said she is grateful that Hashimoto made his way to the quake-struck area. "But we also hope that the government moves ahead with concrete measures rather than just words," she said.

Well aware that the bailout plan is particularly unpopular in the quake-hit areas, Hashimoto took on a rather apologetic tone in his electioneering appearances.

But he insisted that salvaging the moribund housing lenders was necessary "to restore confidence in our financial institutions."

Japan: Tsukahara Received 5.79 Million Yen From 'Jusen' Debtors

OW2002065996 Tokyo KYODO in English
0307 GMT 20 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 20 KYODO — International Trade and Industry [MITI] Minister Shumpei Tsukahara said Tuesday [20 February] he had received a total of 5.79 million yen in political donations between 1991 and 1995 from three companies with debts at the nations' ailing mortgage companies, known as "jusen."

Kumagai Gumi Co. put up 1.92 million yen in direct donations to Tsukahara between 1991 and 1994. The general contractor also purchased 600,000 yen worth of tickets for Tsukahara's fund-raising party in 1992 and bought another 100,000 yen worth in 1993, he said.

Fujita Corp. Donated 2.76 million yen between 1991 and 1994, and forwarded another 50,000 yen in 1995.

The steep fall followed the enactment of the political funds control law, which requires politicians to file reports on donations exceeding 50,000 yen each, Tsukahara explained.

Tsukahara sold party tickets totaling 150,000 yen to the general contractor in 1991 and another 60,000 yen in 1993.

Daiichi Corp., meanwhile, bought 150,000 yen worth of party tickets in 1991, Tsukahara said.

Tsukahara disclosed the figures after Chief Cabinet Secretary Seiroku Kajiyama had urged cabinet ministers Friday to deal with press requests individually for disclosing political donations related to the mortgage companies.

The government expects to liquidate the mortgage companies and clear up debts amassed by the companies using at least 685 billion yen of taxpayers' money, a plan that has angered the Japanese public.

Japan: Tax Authorities Audit Major 'Jusen' Borrower

OW1902083196 Tokyo KYODO in English 0759 GMT 19 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 19 KYODO — Tokyo tax authorities Monday [19 February] launched an audit of a real-estate company considered one of the major borrowers from seven failed housing loan firms following similar probes into five other borrowers and three of the moribund lenders last week.

The tax officials also started to look into the personal assets held by Kichinosuke Sasaki, 63, president of the Tokyo-based realtor Togensha. According to publicized Finance Ministry documents, Togensha ranks sixth on the list of major borrowers, taking out a total of 72.8 billion yen in loans as of the end of last June.

Of the total, loans worth as much as 61.2 billion yen are considered unrecoverable.

The three mortgage firms, known as the "jusen," that were investigated are Nippon Housing Loan Co., Jyuso Inc. and Japan Housing Loan Inc., the top three of the firms in terms of outstanding loans.

In the months to come, investigators will try to find out how they extended loans to the major borrowers.

The other borrowers under investigation are two Osaka-based real estate agencies, Sueno Kosan and Fuji Juken, and three Tokyo-based realtors, Azabu Tatemono, Collins and Fuji Building.

The probe into the private assets of Sasaki, Kenichi Sueno of Sueno Kosan and the other borrowers' presidents aims to clarify whether they siphoned off money from the loans.

Last Thursday, Sasaki made a bombshell remark when he told the House of Representatives Budget Committee, which is trying to shed light on the bad-loan fiasco, that Prime Minister Ryutaro Hashimoto's former secretary had demanded 40 million yen as premium for mediating a loan from the Industrial Bank of Japan for a real estate deal in Tokyo.

He enraged a legislator when he brushed off the question whether his company intended to pay back the outstanding loans by declaring, "there is no reason why I should answer questions from third parties."

Sasaki's defiant outburst was seen as reflecting his resentment of tax authorities due to an earlier investigation of his company.

According to Togensha sources, tax authorities launched a yearlong audit of the company's books in the summer of 1994, but refrained from investigating Sasaki himself, because the probe eventually found only a minor consumption tax evasion.

During the bubble economy of the late 1980s, Sasaki was internationally known as one of Japan's top realtors owning buildings in prime locations and Tokyo and also thriving on the lease of high-class apartment blocks.

Gerontologist-turned-realtor Sasaki, who used to run his own clinic in downtown Tokyo, was among the high income taxpayers in Japan with 14.68 million yen in the 1993 tax year.

The seven mortgage firms have been tottering under the weight of mountains of bad loans in the wake of their lax lending policies during the real estate and stock exchange boom in the late 1980s and early 1990s.

The government plans to use at least 685 billion yen in taxpayers' money to help liquidate the seven firms, a scheme that has drawn fire from the public and opposition parties for being drafted before the issue of responsibility was determined.

Meanwhile, the officials said that tax auditors found Togensha have underreported some 320 million yen in income in its tax report for the period up to March 1995.

Of the total, 190 million yen paid in connection with vacating real-estate objects were not reported at all, leading the auditors to designate the case as deliberate concealment of income in order to evade taxes.

Japan: 'Jusen' Borrower Fails To Report 320 Million Yen of Income

OW1902100696 Tokyo KYODO in English 0947 GMT 19 Feb 96

[FBIS Transcribed Excerpt] Tokyo, Feb. 19 KYODO — A real estate company heavily indebted to some of the seven virtually bankrupt housing loan companies, or "jusen," failed to report some 320 million yen of income to tax authorities in the last fiscal year, taxation sources said Monday [19 February].

The Tokyo-based company, Togensha, is believed to have deliberately concealed about 190 million yen that it received as a bonus payment for a real estate transaction as part of a total of 320 million yen in unreported income, the sources said.

Even if the company reported the full 320 million yen, it would not have had to pay any corporate or back taxes because it posted a deficit in the business year when it received the unreported income, which ended March 31, 1994, according to the sources.

Kichinosuke Sasaki, president of the real estate firm, denied the charge of hiding income, saying it is "a pure fabrication."

Togensha was audited Monday by Tokyo taxation authorities since it is one of the largest borrowers from the seven failed housing loan firms, and this follows similar probes into five other borrowers and three of the mortgage firms last week.

The tax officials also started investigating the personal assets of Sasaki, 63. According to published Finance Ministry documents, Togensha ranks sixth on the list of major borrowers, with a total of 72.8 billion yen in debts at the end of last June. [passage omitted]

Japan: Diet Approves FY95 Supplementary Budget

OW1602090096 Tokyo KYODO in English
0836 GMT 16 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 16 KYODO — The Diet approved Friday [16 February] the government's third supplementary budget for fiscal 1995, which will trim general-account spending by 1,004.42 billion yen, to 78,034.01 billion yen, as tax revenues decrease.

The supplementary budget for the current fiscal year that ends March 31 was approved by a majority from the three ruling coalition parties Friday afternoon at a plenary session of the House of Councillors.

This followed the budget's approval at the House of Representatives on Wednesday.

The third supplementary budget reduces the government's tax revenue estimate for fiscal 1995 by 291.2 billion yen to 50,681 billion yen amid the prolonged economic slump.

The Diet also enacted two bills Friday related to the supplementary budget, including legislation for issuance of deficit- financing bonds to help cover the tax revenue shortage.

Japan: Bank Says Economy 'Resuming Growth'

OW2002114496 Tokyo KYODO in English
1119 GMT 20 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 20 KYODO — Japan's economy is resuming growth, mainly aided by rapid expansions in public-sector and housing investment, the Bank of Japan (BOJ) said Tuesday [20 February] in its monthly review of monetary and economic trends.

Public-sector investment, in terms of public works contracted, has increased further since last December, reflecting implementation of earthquake-related reconstruction works and the stimulus package compiled last September, the BOJ said.

Of the housing investment, housing starts especially have been increasing sharply since last September on the back of lower interest rates, the BOJ said.

In addition, the view that the economy is resuming growth stems in part from progress in inventory adjustment, although inventories remain excessive chiefly among industrial materials producers, the BOJ said.

However, "concerns over the labor market, business confidence in small and medium-sized companies, and utilization ratio of corporate facilities still linger," said Masayuki Matsushima, director of the BOJ's Research and Statistics Department.

Japan's overall economic activity is still at a low level, Matsushima said.

The labor market, in particular, has remained stagnant, the BOJ said, adding that the unemployment rate has stayed at a record high level although the ratio of job offers to job applications has shown signs of recovery.

Japan: Ministry To Create Mortgage Loan-Recovery Agency by 1 Apr

OW1602143896 Tokyo KYODO in English
1429 GMT 16 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 16 KYODO — The Finance Ministry has decided to create an institution on April 1 to recover loans extended by seven moribund mortgage companies due to be liquidated with taxpayers' money, ministry sources said Friday [16 February].

The business of the seven mortgage companies is to be wound up by June, but they are expected to retain their legal status as corporations for one year so that they can file lawsuits for damages stemming from such things as the introduction by their founder banks of impossibly disadvantageous loan deals, the sources said.

The ministry conveyed the timetable to banks that founded the mortgage companies which are now saddled with huge problem loans, they said.

The ministry also told the founder banks that they can implement tax-deducted write-offs of loan losses stemming from the liquidation of the mortgage companies, the sources said.

The ministry set the timetable on condition that the government's bill for the liquidation of the mortgage companies be enacted at the current Diet session, they said.

Under the government's liquidation scheme, 685 billion yen in taxpayers' money will be used to help cover losses stemming from the dissolution of the mortgage companies.

If additional losses emerge for the new organization in the process of collecting loans to be taken over from the mortgage companies, loss disposal costs will be split equally between the public and private sectors.

The sources said the loan-recovery agency will hold an inaugural meeting on April 1, with the Bank of Japan and the private sector each contributing 100 billion yen as capital.

By the end of April, the agency will take over the first portion of assets held by the mortgage companies, they said.

The first portion will be loans which are expected to be difficult to recover, the sources said.

The seven mortgage companies will hold shareholders' meetings from mid-May to sanction their liquidation and complete asset transfers to the new agency by the end of June, the sources said.

Japan: Government Prepares Bill To Improve FTCs Functions

OW1902084596 Tokyo KYODO in English
0834 GMT 19 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 19 KYODO — The government prepared a bill Monday [19 February] to reinforce the functions of the Fair Trade Commission (FTC) by upgrading its secretariat and extending the retirement age for committee members and its chairman, a government spokesman said.

On Tuesday, the cabinet will formally decide on the bill which was approved at a meeting of vice ministers Monday for submission to the current 150-day regular Diet session ending June 19, said deputy Chief Cabinet Secretary Teijiro furukawa.

The FTC Secretariat will be upgraded into a general secretariat while the retirement age will be extended to 70 from the present 65 after the proposed amendments to the Antimonopoly Law take effect.

The government previously sought strengthening of the FTC simultaneously with lifting of a ban on holding companies, and the two issues were to be combined into a single package to amend the Antimonopoly Law.

However, the three ruling-coalition parties — the Liberal Democratic Party, the Social Democratic Party and New Party Sakigake [Harbinger] — decided last Thursday to discuss the two matters separately, following a rift among them over the extent of lifting the holding-company ban.

The coalition has set up a task force to study the plan to give a green light to holding companies, aiming to reach a conclusion as soon as possible.

Japan: 'News Focus' on Automakers' Expectations

OW1902064596 Tokyo KYODO in English
0420 GMT 19 Feb 96

["News Focus" by Nobuaki Fukai: "Japanese Automakers Calm About Dollars Turnaround"]

[FBIS Transcribed Text] Tokyo, Feb. 19 KYODO — Detroit might again be worried about the competitiveness of its Japanese rivals, with the dollar trading 30 percent higher than last spring, but Japanese automakers are calmly facing the currency swing after years of structural change within their industry.

The U.S. currency is now changing hands at around 106 yen after dipping below 80 yen at one stage in April 1995, leaving the U.S. auto industry jittery because the rate change could give Japanese automakers room for greater profitability and price cuts, analysts said.

"Toyota Motor Corp. can expect to see its pretax profit total 500 billion yen in fiscal 1996 (ending March 1997) if the dollar trades at 105 yen," says Seiichiro Iwasawa, an auto industry analyst with the Nomura Research Institute, a Nomura Securities Co. affiliate.

The figure compares with the pretax profit of 300 billion yen Japan's largest automaker projects for the current fiscal year, ending next month. Toyota is estimated to gain around 10 billion yen for every 1 yen rise in the value of the dollar.

The currency windfall comes at a time when Japanese automakers are beginning to harvest the fruit of their cost-cutting drives, which were prompted by the burst of the "bubble economy" in the late 1980s. "Cost-cutting has forced us to revamp the way we develop and manufacture vehicles," said Tetsuo Kitagawa, deputy general manager of Toyota's international public affairs division.

Carmakers have urged engineers to design cars that make the manufacturing process simpler, and stripped vehicles of bells and whistles options, shared the same parts across different models, used imported parts and scaled back model variations.

As a result, Toyota shaved costs by around 150 billion yen a year over the past two fiscal years, while Nissan Motor Co., Japan's second largest automaker, saved 140 billion yen in fiscal 1994 and expects to cut another 130 billion yen in fiscal 1995, the companies said.

Despite the improving competitiveness of their vehicles through the cost-cutting efforts and currency turnaround, Japanese automakers say they have no intention of reducing the sticker prices on the automobiles they sell in the United States.

"You can't say the dollar is strong when it is still hovering at 105-106 yen," says Koji Okuda of Nissan's corporate communications division. "We are in no position to cut prices." Nor are they poised to take advantage of the dollar's upswing by boosting their exports, which fell 15 percent in 1995 from the previous year to total 3.79 million vehicles. This was the first time in 19 years the number had cut below four million, according to the Japan Automobile Manufacturers Association.

After the 1985 Plaza Accord sent the dollar tumbling, Japan's auto exports declined, falling 1.9 percent in 1986 from year-earlier levels, and then another 4.5 percent in 1987. As the dollar rebounded, exports began to pick up and the margin of year-on-year contraction narrowed to 0.9 percent in 1990.

This time, however, the downtrend in exports is unlikely to abate even if the dollar holds steady at the current level because Japanese automakers have made solid progress in localizing production for overseas sales to hedge risks against currency fluctuation.

"There won't be any change in the fundamental tide though the dollar has climbed back above 100 yen," said Yasuhiro Wada, manager of Honda Motor Co.'s public relations division.

"Overseas production will remain on a growth trend as we have found it efficient from viewpoint of employment, procurement and other factors to locally produce in the market to meet demand."

Honda sold 794,600 vehicles in the U.S. In 1995, of which 539,000 or 67.8 percent were made there and in Canada. The company expects its North American output capacity to reach 840,000 vehicles in 1998, Wada said.

Toyota expects to bring its North American production to 1.2 million cars by 1998, compared with the 1994 output of 581,300 vehicles.

Its sales outside Japan totaled 2.42 million cars in 1995, of which 1.4 million, or 58 percent, were made abroad, up 10 percentage points from the level a year before. The company projects the ratio to reach 60 percent in 1996 and 65 percent in 1998.

Nissan produced 444,600 vehicles in the U.S. in 1994 and 465,800 last year. The figure is expected to dip to 430,000 in 1996 because the company's Mexican division began exporting to the U.S. last September, Nissan's Okuda noted.

Japanese carmakers started localizing production in the 1980s and are more deeply committed to offshore production than ever before.

"In the 1980s, Honda and Nissan were operating assembly plants in the U.S.," recalled Hiroshi Suemasa, an auto industry analyst with the Kankaku Research Institute, a Kankaku Securities Co. affiliate. "Now, Japanese parts suppliers are producing there as well, which indicates a real shift toward output localization."

Automakers are also moving design functions offshore to better customize their vehicles to the needs of local markets. Among U.S.-designed Japanese cars are Toyota's Avalon, Nissan's Ultima and Honda's Accord Wagon.

Their North American product lines are expanding to meet growing demand in the commercial vehicle sector, where the automakers have been weak. Toyota will build its fourth North American plant in Indiana to produce pickup trucks, while Honda will set up a minivan assembly plant in Ontario.

Meanwhile, overseas production bases are exploring export markets themselves to gain buffers against fluctuations in local demand.

Honda's North American plants exported 100,000 vehicles last year or roughly 20 percent of their total output. The export destinations are likely to expand to around 60 countries this year, said Honda's Wada.

"Probably, the best-case scenario would be for production bases in different parts of the world to supply each other with specialty models they developed in line with their own manufacturing characteristics and the backgrounds of regional markets," he said.

Japan itself is being tapped as an export market by Japanese-owned overseas transplants. Japanese auto imports totaled a record 388,162 vehicles in 1995, of which 106,827 were "reverse" imports from these transplants, the Japan Automobile Importers Association said.

Japan: Automakers Set Up Parts Network in ASEAN Countries

OW1902073096 Tokyo KYODO in English
0713 GMT 19 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 19 KYODO — Japanese automakers have moved to set up a complementary parts network among their transplants in Southeast Asia by taking advantage of preferential tariff rates on automotive imports, industry officials said Monday [19 February].

They said the move is designed to meet the needs of fast-growing automobile markets among members of the Association of Southeast Asian Nations (ASEAN).

Under the system, automakers will produce particular auto parts to which lower tariff rates are applied in order to reduce production costs.

Four of seven ASEAN members — Thailand, Malaysia, the Philippines and Indonesia — have acceded to a brand-to-brand complementary parts accord signed by ASEAN economic ministers in 1988 to promote the development of automobile industries in the respective countries.

The pact calls for tariff cuts of as much as 50 percent on auto parts produced for shipment among the partners.

Toyota Motor Corp., Japan's leading automaker, established a subsidiary in singapore in 1990 to promote auto parts trade in the region.

Company officials said the accord has contributed to enhancing auto parts trade in the region, boosting trade volume to an estimated 13.9 billion yen in 1995 from 700 million yen in 1992, 6.2 billion yen in 1993 and 10.2 billion yen in 1994.

Toyota currently produces engines in Thailand and Indonesia, steering components and radiators in Malaysia, and transmissions in the Philippines for supply to automakers in the region.

Nissan Motor Co., Toyota's main rival, also produces parts in the region for shipment to its assembly plants.

Production volume, which totaled only 3 million yen in value in 1991, increased to 1.34 billion yen in 1995, company officials said.

Mitsubishi Motors Corp. produces auto parts under the complementary parts pact, while Honda Motor Co. is trying to consolidate the system for its auto parts production in Indonesia and Malaysia, officials of the companies said.

The industry officials said the complementary parts system among Japanese automobile transplants in the region will continue to expand as the ASEAN countries have agreed to bring down tariff rates in regional trade to less than 5 percent in principle by 2003.

Japan: Government Studies Payments for Tunnel Victims' Families

OW1902084496 Tokyo KYODO in English
0822 GMT 19 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 19 KYODO — The government began Monday [19 February] studying payment of condolence money to the families of 20 people who died in a collapsed tunnel in the northernmost main island of Hokkaido, a top government spokesman said.

The amounts might be 5 million yen for a household head and 2.5 million yen for others, based on precedent, Chief Cabinet Secretary Seiroku Kajiyama told a press conference.

The money would not restrict the families' acts, such as filing a lawsuit to demand the state for compensation, nor affect the ongoing investigation into the rockfall accident, he said.

The state would foot a half of the bill, the Hokkaido Prefectural Government a quarter and local municipalities the remaining quarter, Kajjyama said.

Rescuers recovered the bodies of the 20 victims Friday and Saturday from a bus and a car crushed in the tunnel, a week after a huge boulder destroyed the tunnel Feb. 10.

Japan: Health Ministry To Crack Down on Illegal Waste Dumping

OW1802094396 Tokyo KYODO in English
0843 GMT 18 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 18 KYODO — The Health and Welfare Ministry plans to set up an expert panel to draft radical measures against the illegal dumping of industrial waste, ministry sources said Sunday [18 February].

The committee will discuss ways to increase companies' responsibility for the correct disposal of the waste they produce, the establishment of a fund to pay for clearing away illegally dumped waste, improving the safety of waste disposal plants and the release of relevant data to local residents.

By taking decisive measures against illegal waste dumping and improving the transparency of waste disposal, the ministry hopes to dispel citizens' misgivings about the opening of waste disposal sites in their neighborhoods.

Enterprises, waste disposal businesses, the state and municipalities would have to pay into the planned fund, which would cover the cost of restoring a contaminated site to its original state.

According to the ministry, Japanese industry produced a total of 403 million tons of waste in fiscal 1992. However, some 40 percent of the total was recycled.

But at the same time police registered 244 cases of illegal waste dumping.

Japan: STA Report Urges Promotion of Supersonic Plane Research

OW1902123696 Tokyo NIHON KEIZAI SHIMBUN in Japanese 17 Feb 96 Morning Edition p 12

[FBIS Translated Text] On 16 February, the Science and Technology Agency [STA] issued a report calling for the promotion of study and research on a next-generation supersonic plane. The report emphasized that Japan should improve technology such as the computer-aided design of an airframe and development of heat-resistant and lightweight materials in a bid to participate in the international project for the joint development of a supersonic airliner to replace the Concorde. The STA plans to make a small unmanned prototype on an experimental basis by investing approximately 20 billion yen over eight years beginning in 1997.

The report first called for producing a 7.5-meter test plane powered by a small rocket and conducting test flights between 2000 and 2001. It also proposed a project for developing a 10-meter prototype, with mounted jet engines, based on the results of that test flight to demonstrate its flight abilities.

Scientists from industrial, governmental, and educational organizations, including Mitsubishi Heavy Industries, Ltd., Kasawaki Heavy Industries Ltd, and the University of Tokyo will participate in the project with the STA's National Aerospace Laboratory playing a leading role. The report called on Japan to accumulate technology superior to European countries and the United States in designing and development of new materials and to participate in the international joint development project on an equal footing.

The next-generation hypersonic plane is expected to be capable of: 1) Flying at a speed of Mach 2 (twice of the speed of sound), 2) have a range of 10,000 to 15,000 kilometers, and 3) carry approximately 300 passengers. Since nearly 2 trillion yen of development costs are necessary, the next-generation airplane to be actually developed is expected to be limited to only one design.

North Korea

DPRK Daily Urges U.S. To 'Get Rid of' Idea of Confrontation

SK1902042896 Pyongyang KCNA in English 0409 GMT 19 Feb 96

["United States Should Get Rid of Idea of Confrontation" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 19 (KCNA) — NODONG SINMUN today comments on the military manoeuvres intensified by the U.S. bellicose forces around South Korea and Japan in the middle of February and the war exercise against the North staged in South Korea almost every day.

Developments show the invariable attempt of the United States to stifle the DPRK and the idea of confrontation, the news analyst says, and goes on:

If the DPRK-U.S. agreed framework is to be smoothly implemented, it is necessary for both sides to create favourable conditions for it.

The war exercises have nothing in common with the implementation of the agreed framework, but rather overshadows it. That will be not good for the United States, too.

Establishing a new peace mechanism in the Korean Peninsula as the DPRK proposed is one of the best ways to improve DPRK-U.S. relations and achieve a lasting peace in the Korean Peninsula.

If the United States really wants to improve DPRK-U.S. relations and ensure peace in the Korean Peninsula, it should get rid of the idea of confrontation with the DPRK and accede to the DPRK proposal to establish a new peace mechanism without delay.

DPRK: ROK 'Harshly Punishing' Defectors Hoping To Return

SK1702042696 Pyongyang KCNA in English 0320 GMT 17 Feb 96

["S. Korea, Barren Land of Human Rights" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 17 (KCNA) — The South Korean puppets are these days harshly punishing some northern defectors after arresting them on charges of attempted escape from South Korea.

As far as the defectors from the North, most of them had committed unpardonable crimes against the state and the people before defecting to the South, fearful of their responsibilities to the law, with hopes pinned on the puppets.

Some of them, however, attempted to escape from South Korea, prepared to appear in court in the DPRK, because South Korean society is a veritable hell where money, bribery and crime hold sway.

Those who defected to South Korea before escaping to a third country said what awaited them in South Korea was not "freedom" or "human rights protection."

The moment they set foot on South Korea, they began to lead a miserable life in uneasiness under constant shadowing and watch by the "Agency for National Security Planning."

Some were branded as "spy" and executed in secrecy.

It is self-evident that the subhuman life in South Korean society devoid of elementary freedom and human rights was worse than death to them who had lived a happy life in such a harmonious society as a family under the benevolent politics of the Workers' Party of Korea.

They so missed this magnanimous, benevolent politics that they attempted to return to their genuine motherland, repenting of their wrongdoings though belatedly.

This belongs to their inviolable freedom and human rights.

Facts show South Korea is a barren land of human rights where there is no freedom and no elementary human rights ensured.

The South Korean puppets must not impose harsh physical and mental sufferings on those who were arrested while attempting to escape from South Korea, but return them to the North as they wish.

DPRK: Japan Must Make Apology, Compensation to Comfort Women

SK2002055296 Pyongyang KCNA in English 0505 GMT 20 Feb 96

["State Apology and Compensation Needed" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 20 (KCNA) — A recent report submitted by the UN Commission on Human Rights criticised Japan's attitude toward the issue of "comfort women for the Japanese Army" and urged Japan to make a state apology and compensation and punish those responsible by law. NODONG SINMUN today describes this as a just demand reflecting the voice of human conscience that hates injustice and cherishes justice.

The news analyst says:

If Japan had had elementary conscience, it should have admitted its involvement in the criminal issue related to "comfort women" and opened the true picture to the public before others urged it to do so.

However, Japan deliberately concealed the truth. Since the issue was brought to light, Japan has denied state responsibility and resorted to tricks to avoid its obligation of compensation.

The "comfort women" issue is a case of human rights violation, a heinous crime which is outside the statute of limitations under international law.

The best solution to the issue is for Japan to feel state responsibility, mete out legal punishment to those responsible and make state compensation to all the victims as demanded by world public.

It is only the DPRK that Japan has not compensated for the crimes committed by Japanese imperialism. Therefore, we have a due right to demand state compensation for the crimes Japanese imperialism committed against our people in the past as well as the "comfort women" issue.

The quickest way to remove worldwide distrust, disillusionment and criticism against Japan is for Japan to honestly admit its past crimes and make an understandably adequate reparation and compensation.

Japan had better do what it should before it is too late.

DPRK: Japanese TV Airs Kim Chong-il Recorded Greetings

OW1702024596

[FBIS Report] Naha QAB Television Network in Japanese in its "News Station" program at 1356 GMT on 16 February carries a 2-minute video report on DPRK Secretary Kim Chong-il's appearance at a reception held on 15 October 1995 for a delegation of the pro-Pyongyang General Association of Korean Residents in Japan, Chongnyon, which visited the DPRK to attend the 50th anniversary of the founding of the Workers Party of Korea, WPK, on 10 October. Reception is good.

After a brief introductory report noting that Kim failed to appear in public ceremonies celebrating his 54th birthday on 16 February, the program's newscaster announces that QAB recently obtained a "valuable" video recording that includes Kim's own voice.

The video footage begins with a Japanese narrator explaining that in the past 23 years, since Kim first appeared in public after being elected as WPK secretary in 1973, the only available recording of Kim's own voice has been a five-second remark that he made in February 1992.

The narrator then says that QAB recently obtained a previously unreleased video recording that carries Kim's own voice. According to the subtitle in Japanese, the video shows Kim shaking hands with a member of the Chongnyon delegation in October 1995. The next scene shows Kim posing for a picture with a group of people who appear to be members of the delegation and some DPRK officials. In the next scene, Kim is seen greeting the Chongnyon delegation and shaking hands with members.

According to the Japanese subtitle, Kim, in his own voice, says: "How are you?" The video then shows what appears to be a banquet hall where the reception was held for the delegation from Japan. A caption on the right hand corner indicates that the reception was held on 15 October 1995. The video shows guests at the reception applauding and cheering Kim. In the next scene, Kim is seen making toasts with the guests, a smile upon his face.

According to the Japanese subtitle, Kim, in his own voice again, says: "Thank you, compatriots." The video then shows Kim going around the banquet hall, making toasts with a group of women.

According to the Japanese subtitle, Kim, in his own voice, says: "Thank you for your hard work." In the following scene, Kim is shaking hands with a group of men and women in blue uniforms.

According to the Japanese subtitle, one of the men says: "May the general lead a long, healthy life."

The Japanese narrator explains that the video shows Kim's appearance at a reception party held for a delegation from Japan that visited Pyongyang to attend the 50th anniversary of the founding of the WPK. The narrator says that Kim hardly had any chance to sit down as he went around greeting everyone who attended the party.

The narrator also says that Kim drank a few glasses of Korean liquor, and adds that the DPRK leader appears to have no health problems.

The video ends after showing a smiling Kim Chong-il, who is sitting at a table and appears to be saying something—no audio recorded for this scene—followed by a repeat of the initial portion of the video showing Kim making toasts and saying, again in his own voice: "Thank you, compatriots."

DPRK: Kim Chong-il Receives Message From Chongnyon

SK1902080796 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 16 Feb 96

[FBIS Translated Text] On 15 February, the great leader [yongdoja] Comrade Kim Chong-il received a thank-you message from the Central Standing Committee of the General Association of Korean Residents in Japan [Chongnyon] for once again sending educational aid funds and scholarships to the children of compatriots in Japan.

The thank-you message reads as follows:

Full text of thank-you message to the great leader [yongdoja] Marshal Kim Chong-il.

To the respected and beloved [kyongaehanun] Marshal Kim Chong-il, great leader [yongdoja] of our people and benevolent father of the 700,000 compatriots, youths, and students in Japan:

Today, at this significant time when the whole nation and the world's progressive people are welcoming the February holiday, a great common festive event, we have gratefully received with an upsurged mind the 106.6 million yen for educational aid funds and scholarships for the democratic national education of Chongnyon once again sent by the great leader [yongdoja] Marshal Kim Chong-il.

Therefore, the educational aid funds and scholarships sent so far since 1957 in 133 installments by the great leader [suryong] Generalissimo Kim Il-song and the respected and beloved Marshal Comrade Kim Chong-il amount to 42,601,032,433 yen.

Even under the difficult situation of having to build socialism by smashing every step of the way the anti-Republic maneuvers by international reactionaries, the respected and beloved marshal sent precious foreign currency as aid funds and scholarships. As such, by receiving the respected and beloved marshal's paternal love and consideration, our hearts are infinitely throbbing with upsurging gratitude emotion.

Due to the respected and beloved marshal's wise leadership and warm love, even under the difficult environment of living overseas, we significantly celebrated the 40th anniversary of the founding of Chongnyon which engraved the course elucidated with victory and glory, and by holding the 17th congress of Chongnyon as a congress of loyalty and unity, it was possible to brilliantly regard last year as the most significant year in the history of the movement of compatriots in Japan.

Also, with his gifted wisdom, the respected and beloved marshal elucidated that Chongnyon's national education work is the starting point of organizational construction and patriotic activities. He exerted all paternal love and consideration for its strengthening and development, thus, it was possible for us to foster the growing new generations into true capable men of the nation and as competent successors of the patriotic cause. Also, it was possible to firmly provide the patriotic banner which does not waver with any wind.

The Central Standing Committee of Chongnyon sends the greatest glory and the warmest thanks filled with a wholehearted mind of loyalty to the great leader [yongdoja] Marshal Kim Chong-il who did not forget to endlessly send educational aid funds and scholarships to the youths, students, and compatriots in Japan even during the busy days of attaining immortal achievements through his energetic leadership day and night to succeed and complete the chuche cause pioneered by the fatherly leader [suryong].

Amid endless happiness and great emotion, we received repeated love and construction. Thus, our hearts are overflowing with the iron-like faith that we will be victorious without fail if there is only the respected and beloved marshal who is all our fate and future.

We will breathe and keep in step with the people of the fatherland who are accelerating the grand advance with the spirit of the arduous march by highly upholding the red flag, so that the respected and beloved marshal can be highly upheld at the supreme head of the nation and actively implement the historic letter by the respected and beloved marshal, congratulatory message, and decision embodied at the 17th congress of Chongnyon. Therefore, we will development the movement of compatriots in Japan without fail at a new high stage.

We will eternally highly uphold the fatherly leader [suryong] and firmly establish the system of embodying the respected and beloved general's ideology and leadership within the organization, so that Chongnyon can be developed into a chuche overseas compatriots' organization infinitely loyal to the respected and beloved general, and strengthen and develop it into a strong organization deeply rooted into the broad compatriots and the new generations, including the third and fourth generations.

This year, which marks the 50th anniversary of carrying out secondary education of compatriots in Japan and the 40th anniversary of founding the Choson University, we will firmly adhere to the national education work as the lifeline of the movement of the compatriots in Japan and greatly develop it into an all-masses movement.

We will firmly consolidate the ranks of education functionaries and all the more enhance the quantitative level and effectiveness of academic education so that the growing new generations can be magnificently grown up to become competent and gifted men of the nation and true patriots endlessly loyal to the respected and beloved general.

We will also increase the ranks of students through an all-masses movement; firmly establish an independent basis in school operation; and achieve new progress without fail in the work to support and expand the rights of national education. We will broadly unite the students studying abroad and new generation compatriot scientists into the Chongnyon organization and work so that they can all the more contribute to the development of the fatherland's science and technology.

We will highly uphold the great leader's [suryong] reunification behest to achieve ahead of schedule the cause of the fatherland's reunification, and by actively contributing to the work for the prosperity of the socialist fatherland, we will repay with loyalty the repeated great love and consideration by the respected and beloved marshal. The long life of the respected and beloved Marshal Kim Chong-il is all of our earnest desire, the greatest happiness, and supreme delight.

The Central Standing Committee of Chongnyon hope that Marshal Kim Chong-il, the great leader [yongdoja] of our people and benevolent father, will live a long life. He is working for the brilliant succession and completion of the chuche cause and the independent and peaceful reunification of the fatherland by gathering the consistent loyalty and filial piety of all the functionaries of Chongnyon and compatriots in Japan, and for victorious progress in the movement of the Koreans in Japan and victory in the world's independent cause.

[Signed] The Central Standing Committee of Chongnyon

[Dated] 15 February 1996, Tokyo, Japan

DPRK: Kim Chong-il Birthday Celebrated in Russia, Bulgaria

SK1902045096 Pyongyang KCNA in English 0350 GMT 19 Feb 96

[FBIS Transcribed Text] Pyongyang, February 19 (KCNA) — The birthday of the Great Leader Comrade Kim Chong-il was celebrated in different countries.

Celebration meetings were held in Moscow under the sponsorship of the Communist Workers' Party of Russia and the "Working Russia" Movement and under the sponsorship of the Council of the Union of Communist Parties-the Communist Party of the Soviet Union and the Moscow City Committee of the Communist Party of the Russian Federation.

V.I. Anpilov, secretary of the C.C. [Central Committee], the Communist Workers' Party of Russia and chairman of the Executive Committee of the "Working Russia" Movement, said in his report at a meeting:

The birthday of Comrade Kim Chong-il is a great holiday for the communists in Russia.

The movement for revival of socialism in Russia and the Communist Workers' Party of Russia get great encouragement and vital power from the onward movement of the Workers' Party of Korea and the Korean people's struggle led by the esteemed Comrade Kim Chong- il.

The encouragement and vital power are based on the greatness of ideology, leadership and traits of the respected Comrade Kim Chong- il.

Indeed, Comrade Kim Chong-il is making undying contributions to the unity and cohesion of the international communist movement and to its strengthening and development.

A celebration meeting was held in New Delhi under the cosponsorship of the All-India Indo-Korean Friendship Association, the Indian Committee for Supporting Korea's Reunification and the Asian Regional Committee To Support Korea's Reunification and a commemorative meeting in Sofia under the cosponsorship of the Bulgarian Communist Party (Marxists), the Monolithic Communist Party of Bulgaria and the Bulgarian Communist Party.

Meetings, film shows, photo exhibitions and other celebrations were held by the Pakistan Muslim League, the Chuche Idea Study Society of Delhi, India, the Lome, Togo Group for the Study of the Chuche Idea, the Benin-Korea Amicable Association "Long Live General Kim Chong-il, Supreme Leader," the Society for the Study of the Chuche Idea of the Jamia Millia Islamia University of India, in the City of Sao Paulo of Brazil, Shenyang of China and Lusaka of Zambia, and at the building of the Romanian Party for New Society, the Dar es Salaam House of Culture in Tanzania and the Cario House of Culture in Egypt.

DPRK Paper Marks Kim Chong-il's Birthday

SK1602131896 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 16 Feb 96

[Editorial from 16 February NODONG SINMUN: "Let Us Accomplish Our Party's Cause to the End With Faith in Certain Victory"]

[FBIS Translated Text] The future of the Korean revolution, which is being carried out under the red flag of the revolution, is boundlessly bright. Our revolutionary cause is just, the position of our style of socialism is invincible, and the revolutionary spirit of our people is very high. Today, all party members and people are vigorously accelerating the revolution and construction, maintaining faith in certain victory and optimism in the revolution.

At a time when the struggle to accomplish the chuche revolutionary cause is facing a revolutionary turning point, we mark the significant 54th birthday of the great leader [widaehan yongdoja] Comrade Kim Chong-il. The festival of February, the month in which the bright star of Mt. Paektu rose, is the most significant time when our people were given the greatest fortune of being blessed with the leader [suryong] generation after generation. The birth of the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji] was a felicitous event that has firmly preserved the bloodline of the Korean revolution and unfolded the bright future of the Kim Il-song nation, as well as a great historical event that has opened a boundlessly bright future for mankind's cause for independence.

Every year on the most felicitous day of the nation, our people have the tradition to renew their faith to follow the leadership of the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji] and to accomplish the revolution to the end.

As we celebrate the significant day of 16 February for the second time since we lost the great leader [widaehan suryong] Comrade Kim Il-song, all people remember the leader's [suryong] will which asked us to firmly unite around Comrade Kim Chong-il and accomplish the chuche cause to the end.

Reflecting the unanimous admiration of all the people, the fatherly leader personally wrote an immortal ode on Comrade Kim Chong-il's 50th birthday. The ode shines as words representing the eternal faith of our people. During the February festival, our people renew in their hearts the iron oath to overcome any arduous storm and to vigorously walk the thousands of ri of road of the revolution, upholding the lofty intention of the great leader [widaehan suryong] and following the leadership of the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji].

For a long time our people have revered the great leader [widaehan yongdoja] Comrade Kim Chong-il as the bright star of Mt. Paektu and have vigorously fought on. The days have become a history of faith and will, during which our people have struggled with thorough faith in the leader [yongdoja] and have become one in heart and one in will with the leader [yongdoja]. The question of succession to the leader [suryong] was most brilliantly solved in our country. Without that immortal history, this would have been inconceivable. A glorious age has unfolded to inherit and complete the chuche revolutionary cause pioneered in the jungles of Paektu. Without this history, this would have been impossible. As we look back on the proud history of the Korean revolution, we feel the pride and self-confidence of being able to invariably bear one iron faith to absolutely trust our leader [yongdoja] and staunchly fight on.

The great leader [widaehan yongdoja] Comrade Kim Chong-il pointed out: On ordinary days or on arduous days, people with revolutionary faith always entrust their destiny entirely to the leader [suryong] and dedicate themselves without hesitation to fight for the party and the leader [suryong].

A great people maintains a thorough faith as the lifeline. The people's revolutionary faith is the faith to firmly trust their leader [yongdoja]. The destiny and future of the revolution depends on the leader [yongdoja]. The leader [yongdoja] is the highest head of the revolution and the center of unity and cohesion. The revolutionary faith that victory lies ahead on the road followed by the leader [yongdoja] is the elixir that firmly unites the people around the leader [yongdoja] and the ideological and spiritual fountain that enables the people to carry on the revolution to the end, uplifting the red flag.

Today, the Korean revolution is victorious. It is being advanced by the greatness of the leader [yongdoja] and the firm faith of the people who follow the leader [yongdoja]. The basic core of our people's faith is that as long as we have the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji], we are not afraid of millions of strong enemies, and we can undertake any mammoth task.

This thorough faith pulses on the red flag of the revolution that our people are uplifting, and lives in the ceaseless miracles and feats created during socialist construction.

There are no people in the world like our people who live with firm faith in their leader [yongdoja], even if they live forever, and who carry out the revolution with firm faith in their leader [yongdoja], even if they carry out the revolution for their entire lives. The firmness of our people's faith lies in that they follow the respected and beloved leader [yongdoja] Comrade Kim Chong-il, firmly regarding him as the pillar of their mind [maumui kidung].

For the people to unyieldingly traverse their arduous revolutionary road, they should have the pillar of their mind. Those people who follow their leader [yongdoja], trusting in him as the pillar of their mind, can fight to the end, entrusting their destinies to their leader [yongdoja].

Our people have staunchly fought for a long time, absolutely trusting only the great Comrade Kim Chong-il and looking up to only the general [Kim Chong-il] at all times. The respected and beloved Comrade Kim Chong-il is the protector of our destiny who has led our people, assuming responsibility for their destinies. He is the great father and great teacher who has brought a rewarding life and happiness to our people, and who has bestowed strength and fighting spirit upon them.

Because the respected and beloved general is with us, our minds have remained stable; our steps have smoothly advanced without the slightest twists and turns, however difficult the trials that lie on the road of the revolution; and we have been able to achieve victory every time our enemies have provoked us.

The firm faith of those of our people who have staunchly fought, firmly trusting the great general as the pillar of their mind, is engraved on the road of arduous struggle and on the road of glorious victory which the Korean revolution has traversed.

Our people, the pillars of whose minds are firm, are the people who are never shaken even though the world changes. Our people are not a people who step back or who are shaken by difficulties and barriers. They gain matchless strength and courage from the great appearance of the respected and beloved general who is equipped with knowledge and military quality. They staunchly struggle, calling the revered name of the general as the banner of victory. This is precisely our people's revolutionary conscience and the Korean communists' political belief.

The song "Where You Are We Win" reflects the faith of our people who trust the general as the pillar of their mind. This song will continue forever as the song of struggle and victory as long as our revolution advances and as long as the Kim Il-song nation continues to exist. The firmness of our people's faith lies in their firm belief in the invincibility of the ideology and cause of the respected and beloved Comrade Kim Chong-il.

It is inevitable that the great revolutionary ideology and cause are victorious. Momentary trials, twists, and turns may exist along the road of revolution. However, a just cause is to advance along the track of history and to enjoy its final victory without fail.

Those who firmly believe in the correctness and invincibility of their cause display an untiring struggle spirit and staunchly fight with an overflowing revolutionary optimism.

Our people are carrying out the most just revolutionary cause in the world. This cause is precisely the cause of independence, which was created by the great leader [widaehan suryong] Comrade Kim Il- song and which is being consummated by the ideology and leadership of the respected and beloved Comrade Kim Chong-il.

The respected and beloved Comrade Kim Chong-il's ideology, which elucidates the road ahead for the times and the revolution, is the great ideology that most brilliantly realizes the century-long desire and aspirations of the masses of working people. Comrade Kim Chong-il's cause is the sacred cause that built a Utopia of mankind under the banner of chuche.

Comrade Kim Chong-il's cause is invincible and victorious because of its loftiness, because of the correctness of his strategy and tactic, and because of the wisdom of his leadership.

Today, we are building socialism under difficult circumstances. However, our people's faith in the invincibility of their leader's [yongdoja] ideology and cause are becoming stronger with each passing day. Our people's firm faith is that the respected and beloved general's ideology and line are the most correct and just, and that all work led by the general will bring about a brilliant victory without fail.

Because we have with us the respected and beloved general, who presents great ideology and ideals and who has vigorously realized them at the forefront, our people have not knuckled under to the imperialists' vicious military provocations or their economic blockade maneuvers. Instead, they are vigorously fighting toward a new victory.

Today, our people are accelerating the general march of socialism, fighting bravely against all sorts of difficulties with the spirit of the arduous march. This is the revolutionary ethos and optimism that can be displayed only by a people who firmly believe in the correctness of the cause led by their leader [yongdoja].

The faith that the leader's [yongdoja] ideology and cause is victorious without fail can be seen not only in the routine life of our people, in which revolutionary optimism prevails, but also in the vigorous steps of our People's Army and in the torch of the revolution that our young people hold aloft.

Our people are a people who have imbued themselves with the faith that victory is ours. The future of such a people cannot be blocked by a hundred difficulties.

The firmness of the faith of our people lies in their firm faith in the greatness and wisdom of the politics conducted by the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji]. The leader's [yongdoja] politics and the people's destiny are connected as one. The people learn about the leader's [yongdoja] greatness, and see the prospects of their destiny and future of the generations to come, from the leader's [yongdoja] politics. This is the faith in the leader [yongdoja] and the firm faith in the wisdom of politics conducted by the leader [yongdoja].

Our people have indeed led a happy and rewarding life under the politics of the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji]. The politics conducted by the respected and beloved General Kim Chong-il [kyongaehanun kimjongil changgunnim] are fair politics that integrate and brilliantly realize the aspirations and opinions of the people; are benevolent politics and politics of love and faith that bring up all people in one bosom; and are people-loving politics that take full responsibility and care for the destiny and lives of the people.

Today, our style of socialism is a proud reality that was unfolded by Comrade Kim Chong-il's politics. Through real life, our people have come to bear the unflinching will that only under his politics can we live a life worthy of man, can we see the endless prosperity of the nation, and can we enjoy eternal happiness.

Today, our people are entrusting their destiny to our style of socialism in which the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji] conducts politics. Our people never worry about their political destiny and are boundlessly optimistic about their future. Our people are confident about the future because everything will be well thanks to the respected and beloved general [kyongaehanun changgunnim] who conducts great and wise politics. They firmly believe that a bright future of even greater happiness will be pushed forward.

Possible is the future of those who love their future. All our people believe that as long as we have the respected and beloved General Kim Chong-il [kyongaehanun kimjongil changgunnim], a great politician, our life will always be filled with joy and romance, and a better people's paradise will be built on this land without fail.

Our people's faith to elucidate our rewarding life by following and upholding the politics of the respected and beloved general [kyongaehanun changgunnim] during any devastating storm will remain invariable forever.

The faith of our people, who trust and follow the great leader [widaehan yongdoja] Comrade Kim Chong-il, is based on the deep learning about the general's greatness through long actual practice in life. Their faith is the loftiest ideological emotion of being completely fascinated by the general's image as a great man. The faith was deeply rooted in the heart of our people on the historical day they upheld the respected and beloved general as the bright star of Mt. Paektu, and was rigorously strengthened as they victoriously fought their way through the long and arduous road of revolution with the general.

The proud history of our revolution tells us that only when a people who have a great leader [widaehan yongdoja] with extraordinary endowments and qualifications, and with rich experience and achievements in the struggle, can they also have a revolutionary faith and carry on the revolution to the end following the leader [yongdoja]. To our people, the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji] is the ultimate reincarnation of faith and will who brings us faith in certain victory. The people who are faithful to the leader [yongdoja] resemble the leader [yongdoja]. The people's faith is rooted in the leader's [yongdoja] faith. During the days that our people vigorously pushed ahead with the revolution and construction, firmly united around the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji], they imbued themselves with the iron will of the general.

The great Comrade Kim Chong-il is a Mt. Paektu-type great man who resembles Mt. Paektu's ideology, faith, and temperament. The respected and beloved [kyongaehanun] Comrade Kim Chong-il's faith is the iron-willed faith which does not waver even in the slightest even when the earth goes to pieces, is a strong will which carries out to the end, what it has set out to fulfill even though heaven collapses, and great optimism which has faith in victory and overcomes all kinds of hardships in history.

Love the future. This is the general's maxim which is always overflowing with faith in the future of the revolution. Our people obtained confidence and courage from the respected and beloved general's faith, were able to foster matchless strength, and grew unyieldingly into an indomitable revolutionary people who fought by rising up again every time they fell down.

People who uphold the leader [yongdoja] as the supreme incarnation of faith and will are meant to become strong people of faith and will. Our people are possessors of strong faith who live according to the respected and beloved general's iron-like faith and advance and fight according to the general's strong will.

Large numbers of indomitable fighters who defiantly defend faith and integrity in whatever circumstance in the bosom of the respected and beloved general were produced, and true men who died while devotedly working for the victory of our party's cause, have appeared successively. Our people's resolute spirit which is like a pine tree which does not bend even if it means breaking, is the general's indomitable spirit, our people's offensive spirit of only charging forward in the face of obstacles, the general's peerless courage itself, our people's optimism which is advancing toward the future by always overflowing with revolutionary romance, and the resolute temperament of the general himself. There is no strength in this world which can break such faith of our people which resembles that of the respected and beloved general's great trait.

The respected and beloved Comrade Kim Chong-il is a strong man- type great man who always leads our people toward victory and glory. The revolution's victory is dependent upon the leader's [yongdoja] ability. Revolution which is carried out by upholding a strong man-type leader [yongdoja] does not know of any kind of failure and setback. The people's faith of having confidence in the revolution's victory is faith in the leader's [yongdoja] ability who leads the revolution toward the correct road and captivation of the leader's [yongdoja] disposition.

The respected and beloved Comrade Kim Chong-il whom our people are highly upholding, is a peerless great man and a strong man-type leader [yongdoja] which history has not known. With outstanding ability, the respected and beloved general led the revolution and thus, received wholehearted trust and absolute authority from the people.

The respected and beloved general possesses clairvoyant, distinguished wisdom which looks 100 and 1,000 years to the future and elucidates the course of the revolution; experienced and refined leadership which skillfully solves however difficult and complicated task it is; and extraordinary organizational ability which unites the 10 million masses into one to achieve epoch-making changes.

The respected and beloved general's extraordinary natural disposition in which it is best in ideology, in leadership, and in virtue, is truly the fundamental source of our people's faith. Nothing is impossible for the great Kim Chong-il who possesses outstanding ability. When putting forth ideology and theory, he presents the most complete ideology and theory which conforms to the era and the people's intention; when building the party, he builds the most mighty impregnable party; when leading the army, he builds a strong army of peerless victory; and when leading literature and art, he unfolds the heyday of man's culture. He is no other than our general.

In the respected and beloved general's outstanding ability and natural disposition, our people bear the iron-like will that there is nothing that cannot be achieved in this world when following the general and that there is no fortress that cannot be dominated. Our people live by having faith in the respected and beloved General Kim Chong-il as heaven. Just as the respected and beloved General Kim Chong-il's ability to lead the revolution and construction knows no limit, our people's faith and confidence in the general is unlimited.

The respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji] is a great leader [widaehan yongdoja] who has made immortal leadership achievements by leading our people's revolutionary struggle for a long period of time.

The people come to cherish their conviction in the process of creating a great history and reality. The history and achievements created by the leader [yongdoja] are the fundamental factors that make the people come to have boundless trust in and adoration for the leader [yongdoja]. While leading our party and the revolution at their head over the last 30 years, the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji] has made immortal achievements before the times, the revolution, the country, and the people.

The achievements of the respected and beloved general [kyongaehanun changgunnim] consist of unequaled profound and versatile details ranging from the ideological and theoretical achievement of adding luster to the chuche idea as the great guiding ideology of the times to the achievement of strengthening and developing the party, the government, and the Army and the achievement of leading the anti-imperialist cause for independence to victory. They are the national treasure and the everlasting cornerstone of our revolution which eternally ensures the Kim Il- song nation's prosperity and development.

Because we have these immortal achievements of the respected and beloved general, our people are convinced that they will be able to win even greater victory in the future.

The achievements of the respected and beloved Comrade Kim Chong- il [kyongaehanun kimjongil tongji] are all the more noble and precious assets because they have been achieved in the struggle to push through the stern storm in carrying out the Korean revolution. The wholehearted unity of the leader, the party, and the masses was achieved in the process of crushing the vicious maneuvers of the enemies of the revolution, and the gains of our-style socialism were secured in the struggle against the imperialists' challenge and the obstructive maneuvers of the opportunists.

Whenever our people think of the achievements made in the revolution and construction under the leadership of the respected and beloved general, they are filled with boundless pride in upholding the general and redouble their boundless trust in the general.

All the lines and policies which the respected and beloved general put forth are correct and have proved to be flawless. What the general decided and put into practice has all been realized without fail. Our general is a genius of the revolution and a great master of leadership.

Our people have a firm conviction that the road which the general directs them to follow is correct and right and that they are victorious when they do as the general tells them to do. The conviction of our people trusting and following the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji] is a pure conviction which is displayed in the great wholehearted unity, a resolute conviction which is formed and solidified in the most difficult trial, and an invariable conviction which lasts forever generation to generation.

When the leader's [yongdojaui] confidence in the people and the people's confidence in the leader are combined, we can defeat even heaven [hanul]. Because we have the great people who trust and follow the respected and beloved general, the history of our revolution will shine as the victorious history of conviction and volition in the future as well.

Today we have a sacred task of completing the chuche revolutionary cause to the end under the red flag of the revolution and firmly united around the great leader Comrade Kim Chong-il.

The great leader Comrade Kim Il-song taught: Our party members and working people should have the boundless loyalty of trusting, following, and upholding their leader [yongdoja] Comrade Kim Chong- il invariably during the time of peace or the time of stern trials.

Today the great leader Comrade Kim Chong-il is vigorously leading the Korean revolution at its head under the red flag. Our red flag is the sacred flag filled with the career of the great leader Comrade Kim Il-song and a flag of struggle and advance filled with the revolutionary philosophy of the respected and beloved

General Kim Chong-il who is determined to fulfill the chuche revolutionary cause.

The red flag is the symbol of the conviction and the theme of struggle of the Korean communist revolutionaries upholding the general. For us to adhere to the end to the red flag which fluttered in Paektu is to struggle firmly maintaining confidence in the leader [yongdoja].

We should keep the revolutionary faith to absolutely trust and follow the respected General Kim Chong-il. Herein lies the path to carry to accomplishment our revolution to the end by upholding the red flag, as well as the road of our genuine life.

Our faith in the great leader [yongdoja] should be highly displayed in consolidating the singlehearted unity. Unity is the lifeline of revolution and the basis of universal principle [chonhaji taebon].

Only those who can treasure the unity as their life and defend it by dedicating their lives can be said the genuine fighters and disciples of the leader with thoroughgoing faith.

Today we have the most solid and powerful singlehearted unity. Our singlehearted unity is the ideologically and spiritually unified body which breathes with the great General Kim Chong-il's ideology and which moves according to his intention. It is a common body sharing the same destiny which is firmly united with passionate hearts willing to share the destiny with the general to the end.

Because we have this singlehearted unity, we absolutely did not waver even at the sorrowful time when we lost the fatherly leader, nor were we shaken when the imperialists' maneuvers to smash us reached their peak.

Our singlehearted unity is the most precious revolutionary gain which we acquired through arduous struggle and is the powerful weapon of struggle which firmly ensures all of our victories. As long as we have the singlehearted unity, we will always win victory without fail.

It is the banner of our people's faith and the banner of victory, which we should permanently uphold not only today but also in the future, to unite with the respected Comrade Kim Chong-il and to again firmly unite around him.

All party members, workers and officers and men of the People's Army should keenly realize the extent of the arduous struggle our singlehearted unity was realized and how precious it is.

Without unity, there is no fatherland and revolution. One should keep unity to the end, even at a time when one has to abandon one's life. No matter how long time may pass and no matter how the world may change, we should firmly inherit the tradition of unity. This is the precious behest handed over to us by the forerunners of the revolution.

Standing on the firm position that we know nobody but the respected Comrade Kim Chong-il, the center of our unity, we should loyally uphold the ideas and leadership of General Kim Chong-il.

The entire party, the whole Army and all people should more thoroughly establish the revolutionary discipline under which they unanimously move according to the order and directive of the respected Supreme Commander General Kim Chong-il. We should carry to accomplishment the general's ideas and intent unconditionally and thoroughly.

Our revolutionary faith should be vigorously demonstrated in the struggle to defend and protect the great leader [yongdoja] Comrade Kim Chong-il with our lives. This is the very faith in the leader [yongdoja] and is the spirit to defend the leader with our life. The entire course of the revolution, which was pioneered and achieved victory with faith, was the course in which the spirit to defend and protect the leader [suryong] was created and has been highly displayed.

The spirit to defend and protect the leader is an indomitable revolutionary spirit to block the enemy's bullet with one's own body and to safeguard the headquarters of the revolution with one's life. It is the unswerving spirit of struggle to fight, like a fierce animal, for the issue related to the dignity of the leader without a slightest degree of concession. It is a clean and pure heart filled with loyalty and filial piety to safeguard the leader's safety and to realize the leader's intent even by striving to achieve what seemed impossible.

We should more highly demonstrate the spirit to defend and protect the leader, which was created and firmly inherited during the days when we fought by upholding the great leader [suryongnim], on the road of upholding the respected Comrade Kim Chong-il.

The respected Comrade Kim Chong-il is our destiny and the everlasting sun of life. He is today's Comrade Kim Il-song. Whenever we are filled with the sense of yearning for the fatherly leader, we respectfully look up at the respected general's portrait, and resolve to better uphold the general. This is noble trait of our people today.

The everlasting life of the fatherly leader and victory of the chuche revolutionary cause are laid on the road of defending and protecting the respected general politically, ideologically and with our life.

True loyalists are those who defend the leader [suryong] at the most troublesome time. We should learn after the spirit of death-defying safeguard of the O Chung-hup Seventh Regiment that fought by dedicating the prime of their life and risking their lives to defend the Headquarters of revolution.

Functionaries should become today's O Chung-hup who is equipped with the spirit of safeguarding the most prominent leader [suryong]. All the party members, and officers and men of the People's Army should become today's Seventh Regiment which fought with a single mind to defend the highest mind of the revolution. Youths should be solidly prepared as 8 million rifles and bombs that resolutely defend the respected and beloved general down through generations.

Our revolutionary faith to uphold the leader [yongdoja] must be highly displayed in the lofty struggle to adhere to the socialism of our own style to the end. The victory in socialism is a victory in faith. No matter how viciously the enemies of the revolution may maneuver, it is the law of the development of history that imperialism goes to ruin and socialism prevails. When the people deeply grasp this truth as their faith, socialism will be ever victorious. If not, socialism will suffer.

Our socialist cause is a lofty cause that was pioneered by the great leader Comrade Kim Il-song and that marches ahead in conformity with the ideas and will of the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji]. The respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji] is a defender of our socialist cause, and our socialism is an indestructible bulwark that is being looked up at by the world's revolutionary people.

The socialism of our own style led by General Kim Chong-il is the most superior socialism in which everything serves the people and treats them as true masters of the society. Having boundless pride on the socialism of our own style, we should vigorously push ahead with the general onward march to add luster to and to defend socialism.

The revolutionary faith that we should cherish is a firm will to traverse the road of socialism that we chose no matter if it rains or snows. Overcoming all the difficulties with the spirit of an arduous march, all the party members and working people should brilliantly realize our party's revolutionary lines and its plan on socialist construction. By further displaying the revolutionary spirit of self-reliance and fortitude, we should thoroughly implement the party's revolutionary economic strategy and unreservedly display the might of our independent national economy.

When we fight ahead with the firm resolution that when all the people defend socialism, we will prevail and, if not, only death awaits us, we will be able to defend the three positions of the socialism of our own style and firmly guarantee the achievement of the prosperity of our country, our fatherland.

Our people of today are the people who only believe in the great leader [yongdoja] Comrade Kim Chong-il. We believe in the justness of the respected and beloved General Kim Chong-il's ideas; in the sagacity of the leadership of the general; and in the invincibleness of the general's cause.

The bosom to which we can entrust our fate and future will forever be the bosom of the respected and beloved General Kim Chong- il.

There is only the respected General Kim Chong-il in the minds of the Korean people and the people are always in the mind of the general. The harmonious unity between the leader [yongdoja] and the people that has been cemented with faith and sense of obligation is the most valuable gain of the Korean revolution and a source of our invincible power. With the might of harmonious unity, we will complete to the end the chuche revolutionary cause pioneered by the great leader [suryong], overcoming all trials. Our oath made before the red banner that shines with the entire life of the fatherly leader glows eternally, and has been cemented with our faith to endlessly follow the respected and beloved general.

Invincible is the revolutionary cause of the Korean people struggling closely rallied around the party Central Committee headed by the great Comrade Kim Chong-il [widaehan kimjongil tongji].

DPRK: Kim Chong-il Attends KPA Ensembles Performance 18 Feb

SK1902142396 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 19 Feb 96

[FBIS Translated Text] Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], saw the performance by the meritorious chorus of the KPA ensembles, on the lunar calendar's New Year's Day.

Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, who is chairman of the DPRK National Defense Commission and supreme commander of the KPA, on 18 February saw the performance by the meritorious chorus of the KPA ensembles, on the New Year's Day of the 1996 lunar calendar.

Comrade Cho Myong-nok, KPA Vice Marshal and director of the KPA General Political Bureau; Comrade

Kim Yong-chun, KPA vice marshal and chief of the General Staff of the KPA; Comrade Yi Ha-il, KPA vice marshal; Comrades Kim Yong-kuk, Kim Ha-kyu and Hyon Chol-hae, who are generals of the KPA; Comrade Pak Chae-kyong, KPA colonel general, and officers and men of the KPA also saw the performance.

The meritorious chorus played the national anthem, and sang many songs, including "The song of General Kim Il-song," "We wish comrade supreme commander good health," "Our Comrade Kim Chong-il," "Our general is the best," "We will defend the red flag to the end," "Let the Seventh Regiment stand before us," and "We pledge."

Comrade Kim Chong-il expressed great satisfaction with the excellent performance by the artists of the meritorious chorus, worthy of the unit of revolutionary and militant artists. He highly appraised the success of their performance.

All artists of the KPA ensembles, who staged the performance in the presence of the respected comrade supreme commander, were filled with the deepest emotion and endless joy. They were overflowing with firm determination to excellently fulfill their honorable mission as the permanent companion of the revolutionary Armed Forces unswervingly loyal to our party and as vigorous trumpeters.

DPRK: Kim Chong-il Attends 19 Feb Gymnastic Performance

SK1902144296 Pyongyang Korean Central Broadcasting Network in Korean 1305 GMT 19 Feb 96

[FBIS Translated Excerpt] The great leader [yongdoja] Comrade Kim Chong-il saw the mass gymnastic performance, "We will defend the red flag by following the general."

On the New Year's Day of the lunar calendar, together with officers and men of the KPA [Korean People's Army], Comrade Kim Chong-il, the great leader of our party and people who is chairman of the DPRK National Defense Commission and KPA supreme commander, on 19 February saw the mass gymnastic performance, "We will defend the red flag by following the general," which is being staged at the Pyongyang Indoor Gymnasium.

Comrade Kim Chong-il, the great leader of our party and people, appeared at the rostrum while welcoming music was being played. At that moment, thunderous shouting of hurrah echoed the site and flower waves were formed, thus creating an atmosphere of euphoria.

Comrade Choe Kwang, member of the Political Bureau of the Workers Party of Korea [WPK] Central Committee and minister of People's Armed Forces; Comrade Kye Ung-tae, member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Choe Tae-pok, candidate member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Yi Ul-sol, KPA marshal; Comrade Cho Myong-nok, KPA vice marshal and director of KPA General Political Bureau; Comrade Kim Yong-chun, KPA vice marshal and chief of the General Staff of the KPA; Comrade Kim Kwang-chin, KPA vice marshal and first vice minister of the People's Armed Forces; Comrade Yi Ha- il, KPA vice marshal; Comrades Kim Ki-nam, Kim Kuk-tae, Kim Chung- nin and Kim Yong-sun, secretaries of the WPK Central Committee; and Comrade Pak Myong-chol, chairman of the State Physical Culture and Sports Committee, also came to the rostrum. [passage omitted on the gymnastic performance]

Comrade Kim Chong-il congratulated the performers for their successful execution, and warmly responded to thunderous cheers by officers and men of the KPA by raising his hands high and waving to them.

DPRK Paper Denounces 'Moral Hypocrisy' of Imperialists

SK2002094896 Pyongyang KCNA in English 0930 GMT 20 Feb 96

["Moral Hypocrisy, True Nature of Exploiting Class" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 20 (KCNA) — NODONG SINMUN today defines moral hypocrisy as the mode of existence of the exploiting class and a method of its anti-social rule.

The paper says in a signed article:

Hypocrisy is a crafty method used by the imperialists and other bourgeois reactionaries to conceal their anti-social nature.

They accumulate their wealth and live a parasitic life by bleeding the working masses white.

But, they claim that the existence of the working masses is due to them. They talk as if they were "benefactors" of the working masses. Meanwhile, they discipline and suppress those who go against their will and demands, branding their acts as "devoid of conscience and moral obligation."

The reactionary ruling class of the capitalist society specifies such words as "democracy," "freedom" and "human rights" in the constitution and a series of laws and political documents. On the basis of this, they claim they pursue "democratic politics" and provide all people with "freedom" and "human rights."

It is evident, however, that truly democratic politics cannot be pursued and true freedom and human rights of the people cannot be ensured in capitalist society where the capitalist class monopolises the means of production and government power and seeks class dictatorship and domination.

Hypocrisy is used by the bourgeois reactionaries and imperialists as a tactics to win public favor and realise their political ambition.

The bourgeoisie resort to claptrap to improve their image, win public favor, come into power and remain in power.

In a bid to win public favor and more votes, bourgeois politicians lavish lots of money, making false promises to the voters, to the effect that they will "reduce unemployment," "revive the economy," "liquidate crimes" and "ensure social stability."

Hypocrisy also manifests itself in the foreign policy of the imperialists.

With hypocritic words, they talk as if their reactionary nature changed and as if they were "humanitarians," "peace champions" and "guardians of human rights."

They are behaving more hypocritically to dull the edge of the anti-imperialist, independent spirit and struggle of the people, create an illusion about imperialism and attain their ambition for aggression, domination and plunder without much difficulty.

Moral hypocrisy is a permanent companion of the imperialists and other bourgeois reactionaries.

This nature will never change as long as they exist.

South Korea

ROK Ministry 'Knows Nothing' of Missile Deployment Report

SK1702070196 Seoul YONHAP in English 0650 GMT 17 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 17 (YONHAP) — The Defense Ministry said at the weekend it knows nothing about the wire report that the United States will build 40 "sophisticated battlefield anti-missiles" for deployment in South Korea.

The ministry has not been informed of such a plan by the Pentagon and the Pentagon plan to develop the Theater High-Altitude Area Defense (THAAD) system which includes the battlefield anti-missiles, as cited by the wire report, is said not yet to have been completed, an official said.

A U.S. Forces Korea (USFK) spokesman admitted that Gen. Gary Luck, USFK commander, recently discussed with high-level Pentagon officials about THAAD and other issues, but said he is not in a position to discuss the deployment of THAAD missiles in Korea.

ROK: 8,300 Tons of Imported Food Refused; U.S., PRC Cited

SK1702021896 Seoul YONHAP in English 0147 GMT 17 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 17 (YONHAP) — A total of 8,277 tons of imported food worth 18.88 million U.S. dollars was returned or discarded last year after being deemed unsuitable for consumption because of excessive levels of bacteria or expired shelf-life dates, the Ministry of Health and Welfare said Saturday.

Ministry officials said that they conducted safety inspections on 122,022 cases of foreign-made agricultural, maritime and livestock products and processed food in 1995, and rejected 826 items or 0.68 percent of the total.

Unacceptable levels of bacteria caused 819 tons to be rejected, followed by overdue shelf-life at 727 tons, decomposition and quality change at 708 tons, violations of norms involving food addictives and other standards at 535 tons, and infringement of yardsticks regarding general components at 142 tons.

Thirty-two of 89 nations that shipped food to South Korea, sent unsuitable products, with the United States at the top of the list with 156 instances or 33.6 percent of the total.

China, however, had the highest ratio of "inappropriate" judgements with 1.1 percent, compared to America's 0.56 percent.

Sea products was the category most often deemed to be unsuitable at 2.19 percent, followed by agricultural products at 0.56 percent, processed food at 0.48 percent and livestock at 0.27 percent.

Meanwhile, the proportion of unsuitable judgements on imported food soared from 0.5 percent in 1990 to 0.7 percent in 1992 and 0.9 percent in 1994. Thus, 1995's relatively low rate of 0.68 percent meant that domestic importers and foreign exporters did a good job of abiding by food-related regulations, the officials explained.

ROK Cites Japanese Paper on PRC-DPRK Refugee Issue

SK1802031596 Seoul KBS-1 Radio Network in Korean 0200 GMT 18 Feb 96

[YONHAP from Tokyo]

[FBIS Translated Text] Japan's SANKEI SHIMBUN reports on 18 February that relations between China and North Korea have been aggravated because thousands of North Korean refugees have crossed the border into China because of food shortages in North Korea.

Quoting a diplomatic source in Hong Kong, SANKEI SHIMBUN reports that since last year thousands of North Korean refugees have crossed the border into Chinese territories such as the Yanbian Korean Autonomous Prefecture in Jilin Province, China. According to the paper, China has notified the North Korean authorities of its policy to forcibly repatriate those refugees to North Korea. The paper adds that China has also made a strong request to North Korea that it take appropriate measures to stem the rapid increase in the number of North Koreans illegally crossing the border.

ROK Foreign Minister on DPRK, Japan, PRC Issues

SK1902125796 Seoul SEOUL SINMUN in Korean 16 Feb 96 p 5

["Summary" of "special interview" with ROK Foreign Minister Kong No-myong by Yi Kyong-hyong, SEOUL SINMUN senior political desk reporter, on 15 February; place not given: from the "This Year's National Policy" column — first two paragraphs are SEOUL SINMUN introduction]

[FBIS Translated Text] Concerning the recent successive attempts to defect and seek political asylum by high-ranking North Korean officials, Foreign Minister Kong No-myong on 15 February cautiously revealed his view, stating that "although it is too early to make a definite assessment, all this indicates the beginning of North Korea's collapse."

In a special interview by SEOUL SINMUN's senior political reporter Yi Kyong-hyong, Foreign Minister Kong predicted that "the North Korean system can hardly be maintained with the rule by Kim Il-song's behest." The following is a summary of the interview with Minister Kong.

[Yi] Will you tell us about the whereabouts of Mrs. Song Hye- rim, Kim Chong-il's former wife?

[Kong] Since the issue is still out of the sphere of the Foreign Ministry, I am not in a position to tell you the details.

[Yi] What is the government's position for granting asylum to Mrs. Song and her entourage?

[Kong] There are too many hypotheses at present. And Mrs. Song's own will is important.

[Yi] Following recent successive defections of North Korean leading figures, a North Korean youth, who requested political asylum at the Russian Embassy in Pyongyang, was shot and killed. Do you think this incident indicates the beginning of the collapse of North Korea?

[Kong] Although it is too early to make any definite judgment, I have the impression that this phenomenon is an early-stage of the collapse. With the present socialism and the rule based on the behest [of Kim Il-song], North Korea can hardly find a solution to its problems. Reform and opening up are the only way for it to survive. But North Korea tightly closed its door. This being the case, its bankruptcy is clearly foreseen.

[Yi] How much do you estimate is the total amount of expenses for the provision of light-water reactors, and what is the ratio of expenses to be shared by the ROK, the United States, and Japan?

[Kong] At the request of Korean Peninsula Energy Development Organization, which is the main contractor for the light-water reactor project, we have just begun the work of calculating the approximate amount of construction expenses. I think our estimate would not be significantly different from $4 billion, the amount used for the construction of Ulchin Nos. 3 and 4 reactors, which are the ROK-type model. The concrete ratio of expenses to be shared by the three nations will be discussed after the overall construction expenses are calculated.

[Yi] Failure in clearly defining the issue of Tokto Island when the basic agreement was signed between the ROK and Japan in 1965 has been subject of criticism by the people. Do you think that at a time in which negotiations for the establishment of diplomatic relations are to be held on a full scale between North Korea and Japan, an amendment to the ROK-Japan basic agreement will be inevitable?

[Kong] Article 2 of the ROK-Japan basic agreement stipulates that Japan recognizes our country as the sole legitimate government on the Korean peninsula. I think what you meant was an amendment to this article. Since our government recognizes the North Korean regime after the 23 June Declaration [made by ROK President Kim Yong-sam in 1994 calling for the improvement of ROK-DPRK relations], I do not think there will be any new problem. Besides, Japan will push ahead with the establishment of diplomatic relations with North

Korea on the basis of attaching importance to ROK-Japan relations. Accordingly, I do not think the change in the ROK-Japan basic agreement would be necessary.

[Yi] ROK fishermen engaged in fishing activities in the West Sea are suffering enormous damages due to illegal fishing by the Chinese side.

[Kong] Through a diplomatic channel, our side proposed to the Chinese side that the fifth round of ROK-China working-level fishery talks be held in the ROK in March. In view of a possibility that considerable time will be required before the ROK-China fishery agreement is concluded because of the fluid situation, such as Japan's declaration of the exclusive economic zone, our government is reviewing various measures in a bid to prevent Chinese fishing boats from engaging in illegal fishing, even before the conclusion of the agreement.

[Yi] Russia is still one of the very few nations capable of exercising immense influence over North Korea. Nevertheless, some people tend to think light of Russia and underestimate it.

[Kong] Russia will have considerable influence on North Korea. Russia itself is making efforts to improve its relations with North Korea, which have been distant lately, and to promote mutual cooperation. In view of this, constructive, reciprocal, and friendly partner-relations between the ROK and Russia should be developed.

[Yi] The international community is showing a full-scale move for food aid to North Korea. How about our participation in indirect support through international organizations?

[Kong] Unless there is a basic change in North Korea's hostile attitude toward the ROK, additional government-level aid, regardless of the type, cannot be considered. Since the end of last year, UN organizations, with the UN Department for Humanitarian Affairs as the center, and other world relief organizations, carried out activities to provide aid to North Korea, resulting in an atmosphere conducive for aiding North Korea. However, less than 50 percent of the amount appealed by the United Nations in September of 1995 for aid to North Korea was obtained. Thus, their activities were not as intense as expected.

[Yi] I think that reasonable adjustment is necessary between economy-related offices and external trade-related offices within the government.

[Kong] Many world nations are attempting to integrate political and security diplomacy with economy and trade diplomacy functions. This is the very recent trend of the world. This being the situation, our trade diplomacy system will ultimately move in the direction of establishing the Ministry of Diplomacy and Trade [MDT] [oegyo muyokpu]. However, it is desirable to maintain the present system until the MDT is established in actuality. The present system specifies that the Ministry of Finance and Economy supervises the function of adjusting the government's position toward issues related to external economy and trade, while the Foreign Ministry supervises external negotiations. Trade negotiations cannot be satisfactorily carried out merely with thorough knowledge on the impending issue, thus requiring broader professional knowledge on international laws. In addition, a long experience in negotiation techniques and in working out various documents and drafts is also essential for trade negotiations.

ROK: DPRK 'Withdrawing' 'Some' Planes From Forward Bases

SK1702003996 Seoul YONHAP in English 0029 GMT 17 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 17 (YONHAP) — North Korea is withdrawing some of the military aircraft it deployed to bases near the Demilitarized Zone (DMZ) last autumn, a Japanese daily quoted a top official of the Japanese Self-Defense Agency as saying.

The NIHON KEIZAI SHIMBUN also quoted the source as saying that the North Korean Armed Forces have curtailed the scope of their annual winter military exercises this year.

South Korea, the United States and Japan became more vigilant following an intelligence report that Pyongyang sent more than 90 military aircraft to three bases located within 40 kilometers of the DMZ.

Referring to the steady flow of defections from the North, the top defense official reportedly indicated that there is little chance for the Kim Chong-il system to collapse, saying, "Unrest is seen in public sentiments. But it won't develop into a situation in which the leader is replaced."

ROK: DPRK Citizens 'Swarming' to Pyongyang for Food

SK1802045596 Seoul CHUNGANG ILBO in Korean 18 Feb 96 p 2

[By correspondent Kim Kuk-chin from Tokyo]

[FBIS Translated Text] It has been learned that during the past several months tens of thousands of DPRK citizens have been swarming into Pyongyang, North Korea's capital. Thus the security authorities are having a difficult time.

A Japanese source well-versed in North Korean affairs said on 16 February: "DPRK citizens must have a special pass to enter Pyongyang. Before there were people who came into Pyongyang by avoiding the authorities' watchful eyes, but this is the first time it has been confirmed that such a large number of local residents has been moving into Pyongyang all at the same time."

This source added: "Since the flood damage last summer, the situation in local regions in terms of food and daily necessities is serious. Therefore, it seems that citizens living near the border are crossing into China to seek ways to live, while other DPRK citizens nearer Pyongyang are sneaking into Pyongyang. Because the number of those sneaking into Pyongyang is too large, the authorities cannot watch all their moves."

This is attracting attention because it suggests that the North Korean authorities' control over travel, which used to be very strict, has become lax, as evidenced by the fact that people are swarming into Pyongyang.

If DPRK citizens intend to travel to Pyongyang, they must have "a special pass" confirming that they have business in Pyongyang and "a ration card" that enables them to receive food.

ROK: Cancelled DPRK Meetings Reveal Economic Trouble

SK1802050896 Seoul THE KOREA HERALD in English 18 Feb 96 pp 8, 10

[FBIS Transcribed Text] If a series of North Korean defectors are the indication of the miserable economic situations in the country, there are some concrete figures and signals, say government officials here yesterday.

Pyongyang, for instance, has recently postponed the international investment conference in its Najin area jointly with the UN Industrial and Development Organization (UNIDO) to September from June. The delay is the second since the Communist country put it off from May to the following month.

North Korea had also requested Thailand to provide 630,000 tons of rice, which was rejected as Pyongyang failed to repay in kind with steel and other goods in a barter trade, they said.

This is interpreted as North Korea's key heavy and chemical industries, including steel and cement, hitting a snag recently, the officials said.

North Korea have recorded negative economic growths for five years since 1990, and saw its foreign trade shrink by 6 percent in the first half of 1995, according to the officials.

Pyongyang in particular had promised Bangkok to repay $13 million worth of its rice purchase with steel plates, farm chemicals and cement but reneged on it, under the pretext of huge damages it suffered from the torrential rains of last summer.

Seemingly because of the breach of promise on the part of North Korea, the Thai Government has turned down the former's request to provide an additional 630,000-tons of rice, they said. The request was made by Yi Song-tae, chairman of North Korea's External Economic Cooperation Committee, to the deputy premier of the Southeast Asian country during the world leaders' meeting in Davos, Switzerland, early this month.

Bangkok had planned to supply 300,000 tons of rice to Pyongyang but has suspended it after it actually gave 162,000 tons because of the latter's failure to pay foreign debt.

The officials attribute the sluggish steel and cement production in North Korea to the consecutive years of minus economic growth, which they said was part of its economy's contracting reproduction marked by the vicious cycle of low growth, reduced imports of materials, slump of production and exports.

Pyongyang's postponement of its international investment conference in joint sponsorship with the UN body was announced at a meeting to discuss Northeast Asian economy in Niigata, Japan, in Feb. 7-9.

A North Korean expert said that the repeated delays of the North Korea-sponsored international business meetings is a disappointing development for South Korean businesses which have great interests in doing business there.

ROK Government Plans Committee To Deal With DPRK Defectors

SK1602095396 Seoul YONHAP in English 0717 GMT 16 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 16 (YONHAP) — The government plans to create an unofficial committee to map out plans to cope with possible exodus of refugees from North Korea.

A government official said Friday, "Judging that the recent series of incidents involving North Korea, including an increasing number of defections, is a sign of a looming crisis facing the Pyongyang regime, if not directly related to its debacle, the government intends to devise comprehensive measures to cope with possible exodus of refugees from the North."

It is in that context that the administration plans to launch and operate a committee under the chairmanship of the vice national unification minister for a limited period of time on an informal footing, the source said.

The plan has been prompted by a judgement that the existing institutions dealing with North Korean defectors are limited in scope and insufficient to cope with a possible onrush of refugees from across the border.

The committee, tentatively dubbed "North Korean Defectors Measures Committee", will first be asked to make an overall review of measures drafted separately by Ministries of National Unification, Foreign Affairs, Home Affairs and Health and Welfare.

It will then draft comprehensive plans which will cover resettlement in the country of overseas North Korean deserters, accommodations, economic support, vocational training and familiarization programs.

The committee will propose legislation of new laws or amendment of existing laws, if necessary.

In a related development, Foreign Minister Kong No-myong recently said that the government may consider accepting all North Korean deserters in third countries wishing to come to the South.

ROK: Song Incident Raises Questions About Defector Policy

SK1502104896 Seoul YONHAP in English 0929 GMT 15 Feb 96

[By Hwang Tu-hyong]

[FBIS Transcribed Text] Seoul, Feb. 15 (YONHAP) — Nearly one month has passed since Song Hye-rim, former wife of North Korean leader Kim Chong-il, went into hiding. The incident has raised questions about the Seoul government's policy on North Korean defectors.

South Korean authorities usually settle cases involving North Korean defectors as quickly as possible for safety reasons.

Song's relatives in Seoul, who have maintained close contact with her, said in recent interviews with local media that Song has been on the run since she left the Moscow apartment she had lived in for 13 years in late January to defect to South Korea or a third country.

The Agency for National Security Planning (NSP), which is the first government agency to deal with North Korean defectors, issued a statement Wednesday to confirm reports that Song has been on the run, although it would not reveal her whereabouts because of safety concerns.

A statement issued by an information officer from the nation's top intelligence agency, strongly indicated that it has had contact with Song.

The question is why Song has not sought asylum in South Korea or another country even though its been nearly one month since they left Moscow.

One possibility is that Song wants to settle in a third country like the United States or a West European country with a view minimizing the danger of risking her son, Kim Chong-nam. Chong-nam has reportedly been gaining power in the North since he is Kim Chong-il's eldest son, even though Song has not maintained good relations with Kim Chong-il.

Some other sources, however, say that the South Korean Government may not want to accept Song and members of her family, because they fear that the presence of the North Korean leader Kim Chong-il's former wife could severely damage the possibility of inter-Korean detente by angering the leader of the North.

The government has often been accused by critics of being too selective in admitting North Korean citizens. Critics are suspicious that the government puts expediency before principle when screening would-be defectors.

Reports have said that hundreds or thousands of North Korean people are filing their intentions to seek asylum in South Korea with its missions in Russia, China and southeast Asian countries.

Foreign Ministry officials do not deny those reports, although they could not give the numbers.

"If we accepted all of them, do you think our society would be able to manage the consequences?" a ministry official asked.

"In addition, we cannot rule out the possibility that some of the defectors might prove to be disguised agents, which would pose a great security risk to our country," he said.

There are also North Koreans who defected to China 10 years ago and now want to come to Seoul, he said. Many of them may be criminal suspects or illegal aliens who are supposed to be repatriated in accordance with a treaty with North Korea.

Seoul is worried that its deep involvement in affairs related to the North Koreans might create unnecessary tension in its relations with Beijing, despite that it is aware of the possibility of the extradition treaty being used as a tool to get the North Koreans back to their home country against their will.

Similar meticulousness can be seen in the government's handling of North Korean loggers who fled North Korea's Siberian logging camps. The government fears a mass exodus of North Korean loggers from Russia would provoke Pyongyang and, for that reason, the number of loggers admitted into the country last year was limited.

The Foreign Ministry initially denied reports that as many as 100 North Korean loggers contacted its missions in Russia or other members of the Commonwealth of Independent States (CIS) for political asylum.

Forty-four of the loggers have come to Seoul thus far and moves are afoot to admit more, Foreign Ministry officials say.

Seoul's reluctance is also based on the notion that the North Koreans would find it very hard to adapt to South Korean society, as evidenced by a North Korean defector was recently caught trying sneak back home. [sentence as received]

An official notes the fact that the government has yet to establish facilities to accommodate a mass exodus of North Korean loggers.

But critics argue that, for all the problems stemming from North Korean defectors, the government should be bold enough to open wider its doors if it was to show its genuine desire for a reunification of the nation.

"The government needs to be more broad-minded with a long-term perspective," an official says.

South Korea should try to face squarely all difficulties arising from North Korean defectors in view that those are precisely the things the country must encounter in the process of national reunification, he says.

South Korea needs to take the initiative in inter-Korean relations rather than taking a wait-and-see attitude to avoid provoking the North Korean leadership, he says.

ROK: Ex-Wife of Kim Chong-il Said in France, in Contact With ROK

SK1702043496 (Internet) The Digital CHOSUN ILBO WWW in English 1244 GMT 16 Feb 96

[FBIS Transcribed Text] It was learned Friday that Song Hye-rim, the first wife of Kim Chong-il, is now with her party in France under heavy protection by both authorities there and a third country's intelligence agency. She is maintaining contact with the Korean Government.

Song and her group are carrying North Korean diplomatic passports under disguised names. All are in good health except Song herself who has high blood pressure and suffers from diabetes.

It has not been confirmed whether the party members have expressed their plans for exile yet.

ROK: Kim Chong-il Reportedly Swears 'Revenge' Over Defection

SK1702094796 Seoul CHOSON ILBO in Korean 17 Feb 96 p 6

[Report by Pak Sung-chun from Beijing]

[FBIS Translated Text] It was learned on 16 February that, upon receiving a report on the defection of his former wife Song Hye-rim, Kim Chong-il was furious and swore "a merciless revenge on South Korea."

According to sources in Beijing, Kim Chong-il was furious when he received the report on the defection of Song Hye-rim and swore that he will "mercilessly retaliate against South Korea if it does this to my family and matters surrounding me." [sentence as published]

The sources in Beijing revealed that Kim Chong-il's remark was immediately known to the North Korean power elites and North Korean officials in Beijing learned about it on 16 February. The sources added that Kim Chong-il neither specified what kind of "retaliatory action" he will take nor did he give an order for any such action.

ROK: Song Hye-rim's Entourage Said To Include 8 People

SK1702110096 Seoul KYONGHYANG SINMUN in Korean 17 Feb 96 p 1

[Report by Kang Ho-sik]

[FBIS Translated Text] It was confirmed on 16 February that there are eight people, not four, in the entourage of Mrs. Song Hye-rim, the former wife of Kim Chong-il who is currently in France going through the process of seeking political asylum. The four additional confirmed people are her daughter from her first husband, before she was forcibly married to Kim Chong-il; her son-in-law, who is a diplomat; and her grandson and granddaughter.

This was revealed for the first time by Mr. Yi Han-yong, Mrs. Song Hye-rim's nephew living in Seoul, in an exclusive interview with a KYONGHYANG SINMUN reporter.

According to Mr. Yi, in addition to Mrs. Song Hye-rim, his mother's sister; Mrs. Song Hye-rang, his mother; Namok, his cousin; and an attendant he called "Auntie Myongsun," Mrs. Yi Ok-tol (40), Mrs. Song Hye-rim's daughter from her first husband, Mr. Yi Pyong; Mr. Wang Song-rim (47), Yi Ok-tol's husband; and

Mrs. Song Hye-rim's grandson and granddaughter, are seeking asylum.

However, Mr. Yi Han-yong said, "the four are presently waiting for a chance to join Mrs. Song's party in a third country in Europe."

Mr. Yi Han-yong added that "the whereabouts of Mrs. Yi Ok-tol's family are not known. However, their hiding separately in two parties was sufficiently discussed in advance."

Mr. Yi Han-yong also revealed that Mr. Wang, Mrs. Song's son-in- law who worked until recently as a counselor in an North Korean Embassy in an East European country, has been involved in their asylum initiative.

Concerning the reason for the unexpected delay in the decision on where they will seek asylum, Mr. Yi Han-yong pointed out that "it takes them considerable time to communicate, because they are far apart from each other. Besides, they seemed to have a slight difference of ideas." Mrs. Yi Ok-tol uses the name Kim Ok-sun in her diplomatic passport.

Mr. Yi Han-yong recalled that Mr. Wang, his cousin-in-law, has long served in North Korean overseas missions. As a result, he is strongly attached to capitalism.

Mr. Yi added that Mr. Yi Pyong, Yi Ok-tol's father and Mrs. Song Hye-rim's first husband, currently lives in Pyongyang. After being forced to divorce Mrs. Song Hye-rim, he was also forced to work in overseas missions, but was unable to adapt. Thus, he became as good as a zombie.

ROK Official: Song Hye-rim Case Likely To 'Drag On'

SK2002060796 Seoul KBS-1 Radio Network in Korean 0500 GMT 20 Feb 96

[FBIS Translated Text] Kim Chong-il's ex-wife Song Hye-rim and her companions, who escaped from Moscow and are now staying in a third country in Western Europe, have reportedly yet to clearly express their intention regarding political asylum.

A ranking government official said on 20 February: Song and her companions are maintaining indirect contact with our side. However, since North Korea declared it would take retaliatory measures against them, they have not clearly expressed their position as to where they wish to defect. Thus, it is highly likely that this issue will drag on for a long time.

Accordingly, the government has reportedly decided to first concentrate on protecting the safety of Song and her party and to take further measures through close negotiations with the government of the country where they now reside, as soon as they inform it of their concrete intention to defect and of the country in which they wish to seek asylum.

ROK: DPRK Reportedly Wants To Join Asian Development Bank

SK1402033196 Seoul KBS-1 Radio Network in Korean 0000 GMT 10 Feb 96

[FBIS Translated Text] It was learned that the North Korean delegation now attending a Northeast Asian economic forum being held in Niigata, Japan, has expressed its strong hope of joining the Asian Development Bank.

The Japanese newspaper, NIHON KEIZAI SHIMBUN, reported that North Korea sounded out the possibility of joining the Asian Development Bank for the second time, in an attempt to resolve its foreign exchange reserve shortage and secure funds for developing the Najin-Sonbong Economic Zone. North Korea made the same overture in 1994.

This newspaper reported, however, that North Korea will face many obstacles before joining the bank, given the fact that in order to officially join the bank, North Korea must make public information on its economy, and there should be no objection by member nations to the North Korean entry.

ROK: DPRK Reacts 'Hysterically' to Shooting Incident

SK1702135296 Seoul KBS-1 Television Network in Korean 1214 GMT 17 Feb 96

[FBIS Translated Text] Nowadays, North Korea is extremely hysterical over the shooting incident of Sergeant Cho Myong-kil who sought political asylum at the Russian trade mission. While insisting that Sgt. Cho Myong-kil was still alive, North Korea accused a Russian correspondent of slander in reporting the shooting incident.

Meanwhile, the foreign media analyzed that the shooting incident and the defection of Song Hye-rim show signs of North Korea's collapse.

Pak Chan-ok, reporter of the international affairs department, has more on the story:

[Begin Pak recording] The mystery over North Korea's Sgt. Cho Myong-kil deepens with each passing day. Earlier reports said that he died of gunshot wounds. But it was later said that he killed himself. Now North Korea insists he is still alive.

KCNA reported yesterday that Sgt. Cho is a lunatic who escaped to the Russian Embassy after committing a murder and that he is now being treated in the hospital, thus reacting hysterically. Such an assertion contradicts the Russian Foreign Ministry's official announcement that he killed himself.

The North Korean Foreign Ministry even accused a correspondent of Russia's ITAR-TASS of slander, insisting that he had instigated hostile forces toward a slanderous campaign against North Korea.

The international media analyzed these two incidents as signs that hint the collapse of the North Korean system after the death of Kim Il-song. This has been Pak Chan-uk. [end recording]

ROK Considers Buying Russian Equivalents of U.S. Missiles

SK2002021796 Seoul YONHAP in English 0208 GMT 20 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 20 (YONHAP) — The Defense Ministry is considering to import S-300 [name as received] Russian-built anti-missile missiles comparable to U.S. Patriot missiles.

A high-ranking military source said Sunday the Defense Ministry and the Joint Chiefs of Staff have been seriously studying measures to build an anti-air defense system by deploying S-300s, and more detailed information is being collected.

The Russian-built missile, S-300, with the range of 45 km to 150 km, a low-altitude missile targeted at airplanes and intercepting missiles, costs only the two/thirds of 600,000 U.S. dollars and 700,000 U.S. dollars per missile asked for U.S.-made Patriot missiles.

The Defense Ministry ultimately plans to build a SAM-X [as received] anti-air defense network over a long period of time. The U.S. military weaponry suppliers have put in a strong pitch for Patriot missiles, hoping that South Korea would deploy them in its anti-air defense system, the source said. They, in fact, offered to make available more advanced Patriot missiles than the Patriot missiles being deployed by the U.S. Forces in Korea.

South Korean military have already decided to import advanced Russian weaponry during the government's negotiations with Russia on the debts Russia owes to South Korea, including some brand new T-80U tanks, mobile ground-to-air missiles and armed personnel carriers.

ROK: PRC President Calls Attitude Toward Seoul 'Highly Friendly'

SK1602034796 Seoul THE KOREA HERALD in English 16 Feb 96 p 2

[FBIS Transcribed Text] Beijing (Yonhap) — Chinese President Jiang Zemin said Wednesday China values South Korea from a strategic point of view.

"South Korea would fully feel that China has a highly friendly attitude toward South Korea," Jiang said while receiving credentials from new South Korean Amb. Chong Chong-uk at the Great Hall of People.

President Jiang said that he was moved at South Korea's economic development when he personally witnessed it during his visit to Korea last year.

Stating he was deeply impressed especially in the electronics and automobile sectors, the Chinese president said China wishes to learn a lot from South Korea in the economic area.

He said that the South Korean economy seems to him to feature intensive investment, technological development and efficient management.

Jiang also said he cherishes friendship with President Kim Yong-sam especially because he met President Kim on a number of occasions after the 1992 APEC (Asia-Pacific Economic Cooperation) summit meeting in Seattle, U.S.

ROK: Japanese Premier Rejects UN Suggestions on Comfort Women

SK1702014796 Seoul YONHAP in English 0110 GMT 17 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 17 (YONHAP) — Japanese Prime Minister Ryutaro Hashimoto reiterated Friday that his government will not accept the recommendations recently made in the United Nations report on the so-called comfort women who were forced to serve Japanese soldiers before and during World War II.

Hashimoto said during a House of Councilors budget session that there is no room for the Tokyo government to accept the six-point recommendations in the UN report, which called for the government- level compensation.

The recommendations, made by the special rapporteur of the UN Human Rights Committee, suggested that the Japanese Government assume legal responsibility and compensate "sex slaves."

"There are some parts of the report that are based on limited and unconfirmed information," he said.

But he said he apologizes to those victims who have suffered mental and physical anguish. (endall) 170110 stephenson/YONH1703/ak 17/0147z Feb wc169 BT #3606 NNNN

ROK: 9 of 10 Citizens Support Military Guard for Tokto

SK1602035796 Seoul THE KOREA TIMES in English 16 Feb 96 p 3

[FBIS Transcribed Text] Nine out of ten Korean citizens think the military should guard Tokto island, replacing the police, according to a survey released yesterday.

In a phone survey conducted by SRC Research on 451 Seoulites, 94.3 percent responded that the security of the island should be in the hands of the army rather than the police force, and the government should have a more forceful response.

When asked if they wanted to go to the islet, almost all of the surveyed said "yes," expressing their strong affection toward the island.

The survey revealed that 98.6 percent felt Tokto was as important and familiar as Cheju or Ullung islands, whereas very few Japanese knew about it all.

Concerning the government's counteraction on the controversial Tokto issue, about half of them said the government was generally on the right track, whereas 37.6 said the government was not doing a good job.

However, more than 85 percent of the respondents were not clearly aware of the 200 nautical zone issue, indicating that the controversial matter between the two nations is not fully understood.

ROK Daily Reacts to WALL STREET JOURNAL Editorial on Tokto

SK1702131796 Seoul HANGUK ILBO in Korean 17 Feb 96 p 6

[Report by correspondent Cho Chae-yong from New York]

[FBIS Translated Text] In an editorial carried in its 16 February issue, the U.S. WALL STREET JOURNAL described the dispute between the ROK and Japan over the territorial claim of Tokto Island as a fight "between an enraged petty man and a mature giant." Thus, the paper maliciously criticized the ROK while supporting Japan. The following is a summary of the editorial entitled "Insanity Over the Island," which exposed ignorance of historical facts and prejudice against the ROK:

"A scene which can only be seen in a movie is being staged in East Asia. It is one in which a petty man filled with bravado, bluster and fury, is attacking an enormous giant. In other words, the ROK is attacking Japan regarding the Tokto Island. The enraged ROK people made a puppet of the Japanese foreign minister and tore it up to pieces.

"An ROK Navy ship is about to leave for Tokto Island carrying a group of leading writers who are going to declare their affection and sovereignty over the Tokto Island. President Kim Yong-sam made a phone call to a member of the guard watching the island, and asked him to fulfill the mission for the nation. Would all of this really happen if President Kim was not faced with the general election in April?

"Needless to say, the ROK people's resentmen [illegible] d and doubts about Japan are real. Since the dispute—which has not been seen for scores of years—has erupted in the course of diplomatic consultations, a certain degree of anger would be natural. However, in view of the ROK's serious strategic situation, the normal thing for the government to do would have been to mobilize all possible measures in an attempt to prevent relations with its important ally from being damaged.

"As we have indicated, the agreement on ocean laws was the source of the dispute. The article on the 200-mile economic zone forces one to decide whether 'one should maintain or abandon' the island. Japan, which claimed territorial rights over Tokto Island, may be criticized first. However, even if Japan did not claim it first, the ROK would have by all means claimed it later.

"It may be true that the conflict surrounding an island is a relatively safe and harmless method that enables the nationalists to resolve their sentiments [chungdong] and to put them into action." The ROK Government To Exercise the Right To Refute and To Prove Our Territorial Right [subhead]

The Ministry of Public Information [MPI] decided to exercise soon the right to refute the U.S. WALL STREET JOURNAL, which carried an editorial on 16 February criticizing our country concerning Japan's claim of territorial right over Tokto Island.

The MPI views that the editorial, proceeding from the position critical of our attitude toward the Tokto Island issue, was written in favor of Japan by not recognizing our territorial right over the island and by describing it as a disputed area. Thus, the MPI is going to send an article in a bid to prove that Tokto Island is part of our territory by pointing out the international law and giving the historical basis.

ROK: Japan Not Taking Island Issue to International Court

SK2002013596 Seoul YONHAP in English 0117 GMT 20 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 20 (YONHAP) — Japanese Foreign Minister Yukihiko Ikeda said Monday he has no intention of bringing the issue of Tokto to an international court.

He made the statement while answering a question directed at him by Diet member Minoru Kawashima of the New Frontier Party at a Diet Budget Committee session.

"We have considered the possibility at one time, but the two concerned countries must agree to bring it to the court for solution," the foreign minister was quoted as saying.

He said, "Especially, the current status of the problem is the Korean side holds the view that no territorial dispute is on hand and so there is no base to search for its solution through the court."

Ikeda's remark is considered significant in that it is different from the official view of the Japanese Foreign Ministry on the issue, which has been one of seeking a solution at the court.

"We will try to seek a proper solution measure through cold negotiations," concluded the foreign minister asked to outline a detailed measure to resolve the island dispute.

As for the Senkaku Islands for which China has been claiming territorial rights, Ikeda said the islands have been part of Japanese territory historically and legally and no territorial dispute exists between Japan and China and therefore, no need for talks with China on the issue.

ROK: Seoul Plans To Deal With EEZ Issue in 'Firm' Manner

SK1702112396 Seoul YONHAP in English 1113 GMT 17 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 17 (YONHAP) — South Korea will announce its own exclusive economic zone (EEZ) under the UN Law of the Sea treaty when Japan decides on a similar zone at its cabinet meeting slated for Tuesday.

Foreign Minister Kong No-myong will make the announcement after Tokyo's action, a Foreign Ministry official said at the weekend.

Should Japan include the disputed islets of Tokto in its EEZ, the government would declare an EEZ drawn from the base point of the islets, he added.

The government will also stick to its position of not complying with Japan's expected demand that the existing Korea-Japan fisheries pact be amended, reasoning that this is not a proper time to discuss the revision.

The official said the government would hold on to its position that there no longer is anything to discuss with Japan in dealing with the territorial dispute over Tokto.

Should Japan include the disputed islets in its EEZ, the government would cope with it in a firm and resolute manner, he stressed.

But if Japan avoids mentioning Tokto and notes general principles of drawing an EEZ in its announcement, the government will separate the issue of drawing the line between the two countries' EEZs from the territorial dispute over Tokto.

The government needs to study carefully why Japan has come to claim Tokto at this juncture, as some quarters of the ruling Liberal Democratic Party are reportedly contemplating revising the Korea- Japan fisheries treaty in a bid to meet Japanese fishermen's long- cherished demand.

When the Law of the Sea treaty is put into effect, South Korea and Japan should discuss concluding a new fisheries agreement to protect marine resources in the seas between the two countries, and it is the government's policy to make a treaty unique to the two countries in view of their particular historical experience, the official remarked.

Under the existing fisheries pact concluded in 1980, South Korea agreed to take self-regulating measures for its fishing boats operating in the waters lying between the two countries.

ROK Announces Exclusive Economic Zone Policy for Tokto

SK2002074796 Seoul KBS-1 Radio Network in Korean 0600 GMT 20 Feb 96

[FBIS Translated Text] Because the Japanese Government has decided on a 200-nautical-mile exclusive economic zone [EEZ], this afternoon the ROK Government officially announced its own EEZ policy. Reporter Kim Han-chu, who has been dispatched to the Foreign Ministry, will be on the line. Reporter Kim Han-chu, has the government issued an official announcement?

[Kim Han-chu] Foreign Minister Kong No-myong began personally announcing a five-point statement at

1500 [0600 GMT]. In the statement, the government declared a 200-nautical mile EEZ drawn from the base point of our waters, thus making it clear that Tokto Island is included in the boundary. The government also stated it will observe the international law and regulations in holding negotiations with countries on issues regarding overlapping areas in the EEZ.

In this regard, Foreign Minister Kong No-myong repeatedly stressed that Tokto Island is absolutely part of our territory and that any territorial disputes between the ROK and Japan over Tokto Island do not exist at all.

With our government's announcement of its own EEZ today, it is expected that government-level negotiations between the ROK and Japan, and between the ROK and China, will be held soon on revising or signing new fishing treaties. Considering that the Japanese Diet will finish legislation on its EEZ law by next month, the government will also enact a similar law of its own as soon as possible. It also plans to begin working-level negotiations with Japan on the EEZ issue in autumn.

The government's policy is that the 1965 ROK-Japan fisheries treaty should be revised, but that it will adhere to the so-called jurisdiction principle for the time being. According to this principle, Japan is not supposed to disturb our fishing boats fishing near Japanese waters. That is, the government will hold negotiations with Japan within a scope where our fisheries are least damaged.

In a bid to prevent illegal fishing by Chinese fishing boats, the government will also promote a fisheries treaty with China and reinforce maritime guard forces to strengthen our physical jurisdiction, as well as amend pertinent laws.

ROK: Report on Foreign Ministry Statement on EEZ Issue

SK2002083296 Seoul YONHAP in English 0823 GMT 20 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 20 (YONHAP) — Foreign Minister Kong No-myong issued an official statement in his name Tuesday with regard to the government's policy decision on the proclamation of the exclusive economic zone [EEZ], following the Japanese Government's decision earlier in the day to move to declare Japan's exclusive economic zone.

The five-point statement in summary that the government has made a decision to proclaim the exclusive economic zone (EEZ) in the waters adjacent to its territory in accordance with the relevant provisions of the UN Convention on the Law of the Sea. The government ratified and deposited the instrument of ratification of the UN Convention Jan. 29, 1996, with the U.N.

It said the EEZ will be declared by law, and the government will take necessary legislative steps as soon as possible.

As to the outer limit of the EEZ, it said, it shall be up to 200 nautical miles from the baselines from which the breadth of the territorial sea is measured.

In the cases of overlapping with those of neighboring states, it noted that the boundary will be delimited by agreement in conformity with the relevant rules of international law.

The statement said, Korea will exercise sovereign rights over the living and non-living resources of the waters superjacent to the sea-bed and of the sea-bed and its subsoil, and jurisdiction with regard to the marine scientific research and the protection and preservation of the marine environment.

During the press interview, the foreign minister, on the dispute on sovereign rights over Tokto Islets, said, "Tokto is historically part of Korean territory and international law supports it. We have been exercising real territorial and jurisdictional rights over the islets and therefore, they are not subject to negotiations." He reaffirmed that Tokto is included inside Korea's EEZ in any and all cases.

Minister Kong, however, said, "Let's wait and see," asked whether the baselines of the EEZ will be over Tokto. The government appears to wait for Japanese reaction on the EEZ lines in determining its concrete measures.

He said he expected Korea and Japan will start negotiations on the EEZ lines soon.

"Very judicious approach," said the foreign minister asked to comment on the Japanese cabinet meeting's decision to move for the declaration of Japan's EEZ, hinting at a Korea-Japan summit meeting March 1 during the ASEM-EU [Asia-Europe Meeting] summit in Bangkok.

ROK: Aviation Talks With Vietnam Conclude 13 Feb

SK1602035596 Seoul THE KOREA HERALD in English 16 Feb 96 p 8

[FBIS Transcribed Text] Seat capacity on Korea-Vietnam flights will be hiked 40 percent beginning in October to 1,750 a week. This was agreed at the latest round of bilateral aviation which ended in Hanoi Tuesday, the returning Korean authorities said yesterday.

Apparently responding to growing business ties between the two countries, the two sides also agreed to newly open air freight service beginning in March.

Weekly freight size of 100 tons is to be allowed initially for the two Korean carriers currently serving passenger flights to Hanoi, said the officials.

For now, freight transportation is seen to be the exclusive domain of the Korean airline companies, since Vietnam Airlines has yet to launch air freight service.

With the seat expansion, the Seoul-Hanoi flights by the two Korean carriers would be hiked to seven from the current five. Korean Air now flies twice and Asiana Airlines three times a week to Hanoi.

Vietnam Airlines also operates regular nonstop service on the Hanoi route and exclusively runs the Seoul-Ho Chi Minh City flights, totaling four a week altogether.

Korea-Vietnam flights first initiated in the summer of 1995.

ROK Constitutional Court Rules in Favor of Special Law

SK1602095296 Seoul YONHAP in English 0817 GMT 16 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 16 (YONHAP) — The Constitutional Court ruled Friday that a special law passed by parliament in December to allow former Presidents Chon Tu-hwan and No Tae-u and their followers to be punished for their roles in violent suppression of pro-democracy protesters in Kwangju in May 1980 is "constitutional."

The ruling was made by the court during its plenary session, which was presided over by Justice Kim Mun-hui.

With the ruling, the Seoul District Court is expected to issue arrest warrants for Chang Se-tong and Choe Se-chang, former aides to Chon, very soon. The court refused to issue the warrants immediately in January, reasoning that it had to seek the Constitutional Court's decision on the constitutionality of the special law first.

In addition, the prosecution will soon resume its investigation of the December 1979 military mutiny and armed suppression of the Kwangju pro-democracy uprising the following May. In both incidents Chon, former President No Tae-u and their army followers played key roles.

The Seoul District Court will also try the two former presidents and their aides on mutiny and insurrection charges, beginning early next month.

In the ruling, the court said that the public desire for legislation that would do away with historical wrongs takes precedence over the possible inequalities that may arise from the application of the special law, and concluded that the law is therefore constitutional.

The special law deals actions that inflicted great damage on the nation's constitutional history. At issue is whether the statute of limitations on immoral and criminal acts committed in the course of seizing power should be suspended when there are obstacles that prevent bringing such acts to justice.

The fact that the special law targets this particular case and separates it from other acts that violate the constitution is justifiable because it cannot be construed as a law against the principle of equality, nor a law infringing upon the court's judiciary power.

On the controversial issue regarding the statute of limitations, four justices, including Kim Chin-u, were for waiving enforcement of the statute, while Justice Kim Yong-chun and four others were against it.

The Constitutional Court needs the support of at least six justices for it to rule a certain law as "unconstitutional." Five justices ruled that waiving the statute of limitations was unconstitutional and four ruled that it constitutional.

ROK Journalists Dismissed in 1980 File Suit Against Chon Aides

SK1602040796 Seoul YONHAP in English 0249 GMT 16 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 16 (YONHAP) — A group of journalists dismissed by the military junta in 1980 filed insurrection charges Friday against six former aides to former President Chon Tu-hwan, who allegedly played key roles in firing the journalists and merging and abolishing media firms, with the Seoul district prosecutor's office.

The suit was filed against Yi Sang-chae, former Defense Security Command official in charge of press affairs, Ho Mun-to, former chief secretary for Defense Security Commander Maj. Gen. Chon, and Kwon Chong-tal, then intelligence director of the Defense Security Command.

The council of journalists dismissed in 1980, represented by Pak Kwon-sang, non-permanent advisor to the TONG-A ILBO, and commentator-novelist Choe Il-nam, asserted in the complaint, "no clearcut legal actions have been taken against the six people despite the fact that their acts of insurrection involving the dismissals of journalists and merger and abolition of media firms were confirmed by the prosecution's investigations.

"A historical condemnation must be given these people who remain unpunished in the face of their acts of insurrection."

The significance of righting wrongs done in the past should be upheld by conducting a thorough probe of these events and meting out stern punishment to the six perpetrators, the journalists organization said.

ROK President Meets With Science-Technology Council

SK1002024996 Seoul THE KOREA HERALD in English 10 Feb 96 p 2

[FBIS Transcribed Text] President Kim Yong-sam yesterday instructed his science minister to legislate a special act aimed at supporting scientific and technological development.

"We need a drastic measure to develop science and technology if we are to become a first-class nation in the world," Kim said in a luncheon meeting with members of the Presidential Advisory Council on Science and Technology.

Minister of Science and Technology Chong Kun-mo was also on hand at the Chongwadae meeting. Other attendants included vice ministers from relevant ministries and senior Chongwadae officials.

Instructing Minister Chong to enact a special law on the development of science and technology, President Kim said that he wants the new act to lay a foundation for providing substantive support to the research activities and technological development of colleges, research centers and commercial firms.

In order to do so, the government will have to review relevant laws and cases found in foreign countries, the President said.

Kim's meeting with the science advisory council was preceded by a similar conference with members of the Presidential Council on Educational Reform.

The education council presented an ambitious reform plan to the President, which is highlighted by the expansion of job training programs. It also sets out guidelines for reforming curricula of primary and secondary schools and cultivating "specialized graduate schools" of medicine, theology and law.

President Kim gave his endorsement of the reform plan, calling on Prime Minister Yi Su-song, who was present at the Chongwadae meeting, to ensure that the cabinet will follow up on the reform programs.

ROK Ministry Official on Shift in Conglomerate Management

SK1402034796 Seoul YONHAP in English 0253 GMT 14 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 14 (YONHAP) — The Hanjin group is at the top of the list of the 10 largest South Korean conglomerates when it comes to Chaebol (conglomerate) management participation by controlling shareholders and their family members, with 23 on the boards of directors of group-affiliated companies, according to a paper recently published by So Yu-sop, a Finance and Economy Ministry official.

LG is next with 13, followed by Hyundai and Samsung with 11 each.

The managerial participation of such shareholders has increased at Hanjin, Hyundai and LG in the past six years, while it has decreased at Sunkyong, Ssangyong and Hanhwa.

Hyundai had the largest number of board members in charge of its affiliates with 777, followed by Samsung with 595, Daewoo 410, LG with 407, and Sunkyong with 255.

The paper said the conglomerates had replaced controlling shareholders and their family members over the years, by putting experienced executives in such key management positions as president-chief executive officer, executive director and business and planning director.

This indicates that the business groups are gradually shifting from the long family-centered management system to a professional executive-led management system.

Burma

Burma: Gen. Maung Aye Says KNU Trying To Return to Legal Fold

BK1802160296 Rangoon Radio Myanmar in Burmese 1330 GMT 18 Feb 96

[FBIS Translated Excerpt] General [Gen.] Maung Aye, deputy commander in chief of the Defense Services, accompanied by Rear Admiral Tin Aye, commander in chief of the Navy; Major Genral Tin Ngwe, commander in chief of the Air Force; Maj. Gen. Win Myint, adjutant general; Maj. Tin Hla, quarter master general; Brigadier General Tin Ngwe, military appointments general; Brig. Gen. Saw Lwin, director of Military Training; Brig. Gen. Maung Nyunt, director of Military Engineers; Colonel Lun Thi, director of Artillery and Armour; and senior department heads from the Defense Ministry, arrived at Chanmyathazi Airport at 0930 on 15 February.

Next, Gen. Maung Aye and party, accompanied by Commander Brig. Gen. Ye Myint, left Mandalay by cars at 1,000 and arrived at the Defense Services Guest House in Pyin Oo Lwin [Maymyo]. In Pyin Oo Lwin, they inspected battalions and units in the cantonment.

At 0830 on 17 February, Gen. Maung Aye arrived at the Defense Services Institute of Technology. [passage omitted on inspection]

At 1030, Gen. Maung Aye delivered an address to the officers, instructors, teachers, cadets, warrant officers, sergeants, and soldiers at the Defense Services Academy' meeting hall. In his address, he said the State Law and Order Restoration Council [SLORC] has taken over state responsibilities and building the country. The SLORC has set goals, and has been implementing these goals to build the nation. In accordance with set objectives, the SLORC is working to establish a peaceful, prosperous, modern, and developed nation. During the SLORC era, armed groups in the jungle, after understanding the government's objectives, made a peace offer and returned to the legal fold. They are now implementing regional development programs together with the government. A Loimaw opium bandit group led by U Khun Sa has also realized the SLORC's nation building process, which has been laid down with the proper objectives and responsibility. They have surrendered unconditionally. The Loimaw groups' narcotic drug trade has been dismantled since their surrender. It means the SLORC has accomplished a great venture to benefit the world population. Moreover, the KNU [Karen National Union] has also realized the SLORC's true attitude, and is working on returning to the legal fold. As armed groups in the jungle continue to return to the legal fold, the country will enjoy more security and tranquility. There will be economic strength only when there is security in the country. Four economic objectives have been outlined and implemented to achieve economic strength. [passage omitted]

Next, Gen. Maung Aye and his party inspected the units in the cantonment and construction activities in Pyin Oo Lwin. After the inspection, they left Pyin Oo Lwin by cars and spend a night in Mandalay.

Burma: Rangoon To Train Shan Youths To Suppress Ethnic Rebels

BK1502134696 Bangkok PHUCHATKAN in Thai 15 Feb 96 p 6

[Report by Indochinese Information Center]

[FBIS Translated Text] Chiang Rai — SLORC [State Law and Order Restoration Council] is preparing to send 2,000 of Khun Sa's youth soldiers to Rangoon to be merged with the Burmese armed forces. These Shan youths will undergo indoctrination and military training and be trained as "killers" to be deployed in the suppression of rebel ethnic groups in Burma. However, Thai authorities believe that this new move of Rangoon is designed to "swallow up" the Shan nation.

According to a Mong Tai Army [MTA] liaison officer, following the end of the fighting with Khun Sa's army, the Burmese Government proposed to the Shan State Central Executive Committee that 2,000 youths attched to the MTA be merged with Burma's armed forces and sent for military training in Rangoon.

The source told PHUCHATKAN that the young soldiers, aged between 9 to 15, will undergo the "Yeyint" or Young Comrade Training Course in Rangoon. The majority belong to the Shan ethnic group while the rest are from the Wa, Palong, Akha, and Lahu tribes. They were recruited for military training at a very young age and taught to read and write as well as observe military discipline in preparation for a military career.

The source said: "Most of these children come from broken families whose homes were destroyed by government troops. Many are orphans. Some were sent to live with the MTA by their parents before they fled the fighting to live in other places. Now that the war has ended, the Burmese troops want to take them away from us. We cannot do anything because we have no money to take care of them."

The source also revealed that these young soldiers will undergo the military training at the Mingaladon camp in Rangoon. The training program, first initiated by the Burmese Government in 1962, will include brainwashing courses to convince trainees of the supremacy of the

Burmese race. They will be trained as killers and sent to suppress anti-government ethnic groups in border areas.

Burma: MTA Members Reportedly Surrender in Tachilek

BK1702154696 Rangoon TV Myanmar Network in Burmese 1330 GMT 17 Feb 96

[FBIS Translated Text] Members of the MTA [Mong Tai Army] led by U Khun Sa have witnessed and realized the State Law and Order Restoration Council government's undertakings to ensure the ever-lasting national solidarity, the continual coexistence of national races by joining hands, and the perpetuation of independence and national sovereignty. They have been continuously returning to the legal fold since 5 January.

MTA members surrendered their weapons and returned to the legal fold at a ceremony held in Nantalay, Tachilek, eastern Shan State on the morning of 14 February. At the surrender ceremony, 50 MTA members led by Sai Nyunt, deputy battalion commander of the MTA's 206th Battalion, surrendered 42 assorted weapons to the Defense Services and returned to the legal fold. The surrender ceremony was attended by Lieutenant Colonel Soe Yi, acting tactical commander of the No.1 Base Tactical Operation Group of the Eastern Military Command; Lt. Col. Khin Zaw, chairman of the Tachilek District Law and Order Restoration Council; senior Defense Services officers, departmental personnel, members of the Union Solidarity and Development Association, and local residents.

At the ceremony, Acting Tactical Commander Lt. Col. Soe Yi delivered a welcome speech while Deputy Battalion Commander Sai Nyunt, on behalf of surrendered MTA members, earnestly apologized for their past armed struggle against the state [to protect their] narcotic drug activities and their mistreatment of the public, and vowed to work for the public under the leadership of the state government. After the surrender ceremony, Lt. Col. Soe Yi, acting tactical commander, and Lt. Col. Khin Zaw, chairman of the Tachilek District Law and Order Restoration Council, greeted each MTA member, provided needed assistance, and made arrangements for transportation to send them home.

MTA members led by U Khun Sa have realized the state and Defense Services' attitude toward the armed groups in the jungle. They surrendered their weapons unconditionally, and have been continuously returning to the legal fold since 5 January.

It has been learned that a total of 13,178 MTA members led by U Khun Sa have returned to the legal fold, surrendering 7,797 assorted heavy and small weapons, and assorted mines and ammunition since 5 January. It has been learned that more MTA members are planning to surrender.

Burma: State Service Personnel Delegates Continue Meeting

BK1602151996 Rangoon Radio Myanmar in Burmese 1330 GMT 16 Feb 96

[FBIS Translated Text] A meeting of the National Convention delegate group representing the state service personnel was held at Meeting Hall No. 1 in Kyaikkasan Grounds in Yangon [Rangoon] at 0900 today. At the meeting, Colonel Aung San, on behalf of 25 delegates from the Defense Ministry, presented to the Panel of Chairmen views on a number of proposals regarding the organization of legislative and executive chapters. These will be included in formulating a state constitution and were presented within the framework of six National Convention objectives and the principles laid down at the National Convention. U Win Zaw Nyunt of the Ministry of Industry-1, on behalf of 25 delegates from Hostel No. 10, presented views on the same matter; as did U Aung Min of the Yangon City Development Committee, on behalf of six delegates from Hostel No. 11; U Hla Yi of the Ministry of Livestock Breeding and Fisheries, on behalf of 21 delegates from Hostel No. 11; and Dr. Sein Yi of the Health Ministry, on behalf of 15 delegates from Hostel No. 11.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Article Views U.S. Perspective in Asia

BK1902104696 Kuala Lumpur NEW STRAITS TIMES in English 16 Feb 96 p 12

[Article by Lee Poh Ping of Faculty of Economics, University Malaya: "Counting Down U.S. Days in Asia"]

[FBIS Transcribed Text] There has been much debate about the American military presence in Asia after the Cold War. What is its raison d'etre now that a communist enemy no longer exists and given American budgetary difficulties?

Whatever the pros and cons, most Asians and probably most Americans believe it should continue. If nothing else such a presence is vital for the present strategic stability of Asia or until such time when Asian countries have devised their own credible multilateral strategic arrangements. But sooner than expected such a debate may come to a head with two not entirely foreseen developments. One is the Okinawan movement against the American bases there, and the other the possibility of a military clash over Taiwan.

One problem often forgotten by those desiring an American military presence in Asia is simply that of location. Where do you put the American troops?

This problem came up earlier during the debate on the renewal of the lease of the American bases in the Philippines. The Filipinos retorted to those Southeast Asians urging them to permit the continuation of the bases as Asian stability depended on it, by asking these Southeast Asians to take these troops if it was that important. No Southeast Asian country took up the offer.

As it turned out, the American withdrawal from the Philippines did not fundamentally affect the American strategic position in Asia.

The Okinawan problem is, if one may use that expression, a different kettle of fish. Okinawa is at the heart of the American military position in Japan which in turn is at the heart of the American strategic position in Asia.

How much of the heart can be gauged from these statistics. As of March 31, 1993, 74.7 per cent of the exclusive land area in Japan provided to the American military was located in the prefecture of Okinawa. And as of March 31, 1994, about 20 per cent of the main island of Okinawa, was occupied by the American military.

If the Americans were to withdraw or were forced out from Okinawa, it is not very likely the rest of Japan can accommodate them. Already many mainland Japanese are complaining about the present American bases there. Moreover Okinawa is in such a strategic position in the Asia-Pacific region that an American withdrawal would eviscerate its strategic position in Asia.

This is not to suggest such a withdrawal is about to happen. But it cannot be dismissed. I was in Okinawa recently on a non-security related conference. I was struck by how much the problem of the American bases occupied the minds of some of the Okinawans I talked to.

The Okinawans were not necessarily anti-American or even against the American bases (they are aware of their importance to the local economy) but harboured a complex mixture of resentment against Tokyo for taking them for granted (this issue is too complex to be analysed here) and a belief that the bases and the land they occupy prevent Okinawa from developing into something other than a mere base station.

Whatever be the motivations of the Okinawans and whatever be Tokyo's condescending attitude towards them, Okinawan feelings cannot be taken lightly. Already the present governor, Masahide Ota, has refused to sign documents that permit the continued forcible lease of land for use by the American military, and is low challenging in court Tokyo's overriding of his stand. If he is successful (unlikely though) it could start something that might unravel the American military position in Japan and in Asia.

The other development, an armed clash over Taiwan, has become a real possibility with a report that the Chinese are massing about 400,000 troops in southern China with the aim of simulating an invasion of Taiwan. Even if the Chinese have no real intention of invasion, there is the real risk of conflict breaking out by accident.

If that were to lead to a Taiwanese invasion, the United States could be put in a very difficult position. If it does not come to Taiwan's aid, its credibility in the Asia-Pacific region would be undermined. If it does, on what legal and political basis should it be done and how? In a sense, the United States could not be put in a worse position to make a military stand in the Asia-Pacific region.

There is first no treaty that compels the United States to defend Taiwan if attacked. There is only the Taiwan Relations Act which states that the United States has an interest in the peaceful resolution of the Taiwanese problem, hardly a firm legal basis for American intervention.

There is the political basis. The United States will be defending a democracy and the right of a people to self-determination. The problem with this argument is that the United States and indeed the United Nations have already acknowledged that there is only one China with the rightful rulers in Beijing.

Many will contend that even if such a position should not prevent the United States from helping Taiwan, why would the United States not act to help Chechnya, from Russia (where overwhelming force is being used against a people much more different from the Russians than the Taiwanese are from the Chinese) or in many other places where so-called minority groups are subjected to forcible control from the centres.

Some Chinese contend that the history of the United States itself justifies the Chinese position. The South seceded from the North by a democratic process. Yet the North felt justified to launch a civil war to save the union.

Even if the United States could find a pretext for intervention, how could it be done without a direct confrontation with China which would be too horrible to contemplate if carried to the extreme.

Few Asians seriously believe Americans would shed their blood to defend the Taiwanese. One need only to observe the nervous reaction of the highest American leaders over one American soldier killed accidentally in a land mine in Bosnia (not shot in combat, mind you) to know how worried these leaders are that the American public might clamour for a premature withdrawal if more American lives were lost.

The Americans could supply defence equipment and other software help to the Taiwanese. Given the superior quality of the Taiwanese armed forces, it would be very difficult for the Chinese to take over the island. This is what some Taiwanese officials and many western analysts would have us believe. And it is probably true. The problem with this view is that it may overestimate the will of the Taiwanese people to resist.

In as much as Taiwanese experts believe an invasion would be a senseless military adventure, they nevertheless believe that because so much Chinese "face" is involved, the Chinese would throw everything they have to the invasion. As it would then likely become protracted, these experts are not sure whether the government or the Taiwanese people might not throw in the towel before long.

Moreover there is a very thin line between the Americans just helping Taiwan and an American confrontation with China. What happens if an American ship supplying defence material or helping Taiwan to evade a Chinese blockade is fired upon?

Would also the Japanese, for example, allow American ships based in Japan on the basis of a bilateral treaty that obligates the United States to help only if Japan were attacked, to use Japanese facilities in preparation for helping Taiwan.

On the other hand, if the United States did nothing, questions would almost certainly arise in Japan, Korea and Southeast Asia whether the Americans can be relied upon to help them in any conflict.

The conclusion seems clear that an armed conflict would not benefit the United States nor for that matter China (its relations with the West and Japan could be ruptured) and Taiwan. Hence it is best to leave well alone, and for the Taiwanese not to take steps in international diplomacy (the American Congress should not encourage such either) that could be interpreted by Beijing as leading to Taiwanese independence.

Taiwan already enjoys de facto independence, and with its impressive economic development (it was pointed out interestingly under more than 40 years of rule by Kuomintang mainlanders), it could be a model for China as indeed it had been admired by many Southeast Asian nations. This will come to nought if war breaks out.

Malaysia: Mahathir Urges West To Stand Firm Against Serbs

BK1702131196 Kuala Lumpur THE STAR in English 17 Feb 96

[Report by Mergawati Zulfakar — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Datuk Sri Dr Mahathir Mohamed hopes the arrest of two Bosnian Serbs for suspected war crime will not lead to the breakdown of peace in the Balkans.

The prime minister, expressing concern over the fragile peace process in the region, said the Serbs were threatening not to comply with the Dayton peace accord.

"My worry is that Western powers will not stand firm. They will give in to the Serbs. This is past experience, I hope this will not happen," he told reporters after launching the Global Humanitarian Appeal for Bosnia-Herzegovina at the Tunku Abdul Rahman Putra Memorial here yesterday.

On global humanitarian aid for Bosnia, Dr Mahathir said some countries were assisting the war-torn country.

"The world is made up of different kinds of people. Some may not be sympathetic, some may think there are other people who are suffering too," he said.

He also said the government was encouraging the private sector to get involved in the rehabilitation of Bosnia.

In his speech, Dr Mahathir said rehabilitation of the Serbs had begun with sympathies for those from Krajina who were said to suffer because they had to live in Serbia in temporary homes.

"How weak is the resolve was demonstrated when the abduction of Bosnians by Serbs was declared by a local commander as not his responsibility because he was not there to police but to enforce the peace agreement.

"In the end, Serbian crimes will be glossed over and the genocide they committed overlooked. Such is the justice and humanitarianism of our day and age," he said.

Dr Mahathir later launched the appeal on the Internet. The appeal was jointly sponsored by Lim Kok Wing Integrated and Sungei Way Group. He also launched a book entitled Bosnia — Beyond Words, Beyond Tears.

Malaysia: Bank Views Current Account Deficit, Steel Plant Loss

BK1702104796 Kuala Lumpur THE STAR in English 17 Feb 96

[Report by Yap Leng Kuen — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — After an intense round of attempting to stabilise the ringgit and interest rates, Bank Negara [central bank] is keeping its fingers crossed that the impact of Perwaja Steel Sdn Bhd's [private limited] losses will not be drastic and views the solution to the current account deficit as more pressing.

Interest rates appear to have stabilised with the central bank taking three-month money at seven per cent for two consecutive days.

Noting that the situation is less tense, market sources hoped that reports on the losses of Perwaja Steel would not affect the ringgit too drastically.

"We hope it is temporary although the magnitude of the losses is quite great," a source said. "It may spoil our holiday."

The ringgit ended almost 60 points lower at 2.5480/90 against the U.S. dollar compared with 2.5415/25 the previous day.

On Feb 12, Finance Minister Datuk Sri Anwar Ibrahim said the initial audit into Perwaja Steel had been completed. The firm reported a loss of RM [Malaysian ringgit] 376.54 million for the year ended March 31, 1995.

Perwaja Steel has many foreign loans and it is feared that this may affect the ringgit, the sources said.

Yesterday, the ASIAN WALL STREET JOURNAL, quoting an internal company report, said Perwaja Steel was seeking a moratorium on payment of interest and principal on some of its RM5.7 billion in bank borrowing.

"However, that is a past problem and an old story," they said. "A more current and pressing problem is how to address the current account deficit, especially through the staggering of mega projects."

It was reported last Wednesday that the treasury was conducting an audit on all projects that are being carried out to achieve maximum usage of local content and minimise the imports of components.

Among the mega projects, the Putrajaya township, Bakun hydro-electric dam project, Bukit Jalil Sports Complex and Light Rail Transit Phase Two started last year.

Bank Negara reserves have fallen from RM68.203 billion at end-1994 to RM63.796 billion at Dec 30, 1995. The drop of RM4.407 billion was largely attributed to payments for imports.

Market sources did not discount the possibility of a drop in reserves caused by forex [foreign exchange] intervention, which is deemed necessary to prevent the ringgit from appreciating or falling too sharply.

Expectations of a continued and possibly enlarging current account deficit has put pressure on the ringgit. The problem has been compounded by concerted speculation against the local currency recently.

In view of the urgency of the situation, various measures to stem the fall of the ringgit and attract short-term capital inflows had been put into place and some positive effects have been seen.

Malaysia: Mahathir Criticizes Newspaper for Steel Plant Report

BK1702123596 Kuala Lumpur THE STAR in English 17 Feb 96

[Report by Farid Jamaluddin — received via Internet]

[FBIS Transcribed Text] Langkawi — Datuk Sri Dr Mahathir Mohamed blasted the ASIAN WALL STREET JOURNAL [AWSJ] yesterday for its report of Perwaja [steel plant] Terengganu's so-called financial crisis, saying the journal knew nothing about the company.

The prime minister said the AWSJ could say what it wanted and that he was not interested in its opinions.

"The AWSJ and other foreign media have predicted five million times that Malaysia will plunge into trouble, but we are still around," he told reporters before breaking fast here.

He said Malaysia knew how to manage its problems and did not need advice from anybody, especially the AWSJ.

The prime minister was asked to comment on AWSJ's report of a "financial crisis" in Perwaja in its Feb 16-17 issue.

The report claimed that the crisis was threatening to plunge the government into an explosive business scandal.

Dr Mahathir said Perwaja was doing "okay," although he admitted the company was having some problems.

"But we can solve this problem. Which one do you want to believe, the AWSJ, which has nothing good to say about the country, or us?" he added.

He said in the past, foreign newspapers predicted that Malaysia would break up and "the country was going to the dogs."

On claims that Perwaja needs RM [Malaysian ringgit] 400 million as immediate cash injection to service its loan, he said: "The AWSJ can allege whatever it wants."

Malaysia: Industrial Production Index at Record High

BK1702101096 Kuala Lumpur THE STAR in English 16 Feb 96

[BERNAMA report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Malaysia's Industrial Production Index for 1995 recorded a high of 210.6, up 13.2 per cent over the 1994 index of 186.1, making it the highest index registered in the last seven years.

The improvement in the index for 1995 was due to the high growth achieved in the mining division last year, the Statistics Department said in the December 1995 Index of Industrial Production .

It said that all the three divisions under the industrial sector — mining, manufacturing and electricity — accounted for the increase in index between 1994 and 1995.

The index of the mining division rose by 9.1 per cent to 139.8 from 128.1, the manufacturing division surged by 14.5 per cent to 246.4 from 215.2, while the electricity division increased by 14.1 per cent to 239.5 from 209.9.

Cambodia

Cambodia: Hun Sen Receives Russian Official 16 Feb

BK1702115796 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 17 Feb 96

[FBIS Translated Excerpt] On the afternoon of 16 February, Second Prime Minister Samdech Hun Sen said that the diplomatic ties between Cambodia and Russia have existed for over 40 years. The samdech stated this at a meeting with His Excellency [H.E.] Aleksandr Panov, deputy Russian foreign minister, who is visiting the Kingdom of Cambodia.

The samdech second prime minister and the Russian deputy foreign minister discussed a number of issues, including cooperation in the agricultural field. They also talked about cooperation in the transport sector, because we need spare parts for the vehicles produced by the former Soviet Union that we are still using in Cambodia. During the talks, they agreed to set up an inter Cambodian-Russian committee by 1996 in order to promote and strengthen the cooperation agreement reached by the two countries during the visit of H.E. Ing Huot, minister of foreign affairs and international cooperation, to Russia in May 1995.

The objective of the visit to the Kingdom of Cambodia by the Russian deputy foreign minister is to reaffirm Russia's stance on bilateral relations and to hold discussions to promote the two countries' cooperation, bringing about concrete implementation of the agreement reached last year. [passage omitted]

At the talks, H.E. Aleksandr Panov reaffirmed that Russia has always supported the Kingdom of Cambodia and that it is currently a good time to consolidate our relations and cooperation for our common interests.

H.E. Aleksandr Panov added: In the past, our relations had slipped a bit due to the changes in the situation concerning our two countries. Now Russia is optimistic about the economic and cultural growth of the Kingdom of Cambodia.

Cambodia: Rangsi Defends Removal of KNP Vice Chairman

BK1702142196 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 17 Feb 96 pp 1, 4

[Report by Kroesna]

[FBIS Translated Text] A political party that has not yet been legally recognized called the Khmer Nation Party [KNP] led by Sam Rangsi — former state minister and minister of economics and finance, and a former personality of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party — is on the verge of a serious rift. Sam Rangsi and Nguon Soeu, his darling and second vice president, have arrived at a crossroads and have decided to part.

At a news conference held at the KNP headquarters on the night of 14 February, Sam Rangsi said Nguon Soeu's membership to the KNP Steering Committee had been removed and that he was no longer the second KNP vice chairman. Now, he is merely an ordinary KNP member.

The announcement was made publicly in a burning manner and made some people think that not only had Nguon Soeu been downgraded to a mere member, but that he had also been indirectly fired from the KNP. It is impossible to think that he, who used to be the party second vice chairman, would be willing to remain an insignificant satellite.

Reacting to Sam Rangsi's 14 February statement, Nguon Soeu told REAKSMEI KAMPUCHEA on the morning of 15 February that he greatly regretted Sam Rangsi's informal decision to expel him from the KNP. Nguon Soeu added that Sam Rangsi was an hypocrite, an authoritarian...[ellipses as published] because the latter held two meetings secretly with the aim of ostracizing him. Nguon Soeu said Sam Rangsi's action was sleazy because he used him as a buffalo to wade through mud; however, he emphasized: "How can I, Soeu, be that stupid and allow myself to be used as Sam Rangsi's buffalo?" Whoever wants to remain idiotic and be used by Sam Rangsi as his buffalo is free to stay, but they should reconsider their decision because Sam Rangsi is in the process of turning the KNP into "a Sam Rangsi party that runs counter to the wishes of the people."

Speaking to reporters, Sam Rangsi said the reason Nguon Soeu had been removed was that he committed four wrongdoings: First, he wanted to provoke division within the party; second, he intended to create trouble for the party; third, he was not suitable to be a party leader; and fourth, he attacked his own party openly and clandestinely.

Sam Rangsi also said that the decision to expel Nguon Soeu from the party leadership conformed with KNP statute and that the steering committee had twice met secretly and voted overwhelmingly to expel Nguon Soeu. He added, however, that the steering committee provided Nguon Soeu with a chance to come forward and defend himself at 1800 on 14 February, but that he did not turn up. This was taken to mean he did not care about his expulsion, and the steering committee decided to implement the resolution adopted on 11 and 12 February to expel Nguon Soeu from the committee.

Nguon Soeu said Sam Rangsi wanted him to be a figurehead instead of a chairman with no responsibility. Sam Rangsi, he added, did not want to solve problems, but instead to create them. Sam Rangsi and Nguon Soeu hold different views on party leadership and the administration, and Nguon Soeu feels Rangsi is too dictatorial. Nguon Soeu also criticized Sam Rangsi by saying he thought Rangsi had given up his hypocritical attitude, when in fact he had not. Rangsi is surrounded by youngsters who are all arrogant and always consider themselves capable.

Nguon Soeu added that he had requested Sam Rangsi to reorganize and improve the party leadership and administration since they were ineffective and could bring about troubles in the future. The administration, he added, had been organized at will and in a disorderly manner.

Regarding his absence at the meeting on the night of 14 February where he was to defend himself, Nguon Soeu said he did not turn up because Sam Rangsi had not heeded his request that a meeting of the steering committee be convened with the participation of all members of the committee. Sam Rangsi, he added, had summoned him alone so that his associates could put pressure on him. Nguon Soeu added that Sam Rangsi had been pained when FUNCINPEC expelled him without the opportunity to defend himself, but that now he inflicts that pain on others. Bearing this in mind, he asks whether Sam Rangsi is a truly democratically-minded guy.

Sam Rangsi underlined that summoning Nguon Soeu to defend himself in the presence of reporters was democratic. The Nguon Soeu issue is unimportant, it is the question of an individual. The number of KNP members continues to grow. This figure, he added, will reach 100,000 by Cambodian traditional new year [in April] and that at this pace, the KNP will certainly win in the 1998 elections.

Sam Rangsi also said in a boasting manner that the KNP's activities are different from those conducted by Samdech Son Sann's party in that Samdech Son Sann's party allows Ieng Muli to maneuver unchecked. The KNP is extremely vigilant; should a tiny ulcer come up, operations are performed immediately to remove it and prevent it from spreading.

Nguon Soeu said with snigger that the rift within the KNP would deprive Sam Rangsi of the chance to win because after his departure, a great many members of the KNP's steering committee and national council as well as other ordinary members would follow suit. He estimated that some steering committee members, about 100 (of the 360) national council members, and 7,000 ordinary members would quit in the near future.

When asked about his future plans, Nguon Soeu said he was not certain if he would create a new party; however, if he did, it would not be named the Khmer Nation Party. The party would make constructive criticism and would not, he hoped, be a staunch opposition party. It will be a party that would be able to distinguish between good and bad and would not be extremist.

Concluding, Nguon Soeu said there was no record of the KNP's expenditures.

Cambodia: Khmer Rouge Claims Government Tanks Destroyed

BK1902025296 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 18 Feb 96

[FBIS Translated Text] The following is an update on the situation on the Sisophon-Poipet battlefield:

I. On 16 February — as our army and impoverished peasants were killing several enemy personnel and destroying an armored vehicle, a large truck, a Toyota pickup, and a Nissan pickup — a T-54 tank ran over some of our landmines and exploded near Pheah Khluon. It was badly damaged and rendered unserviceable.

II. At 0800 on 17 February, our army and impoverished peasants launched a mine attack against infantry troops between Sre Khcheay and Weir 35, killing 12 instantly and wounding a few others. At 1530 on the same day, our army and people surrounded and set ablaze a T-55 tank east of Pheah Khluon.

III. In the wake of our smashing the enemy personnel and destroying the armored vehicle, trucks, and tanks, the situation is as follows:

1. We continue to surround and destroy personnel of the 11th and 12th Divisions at Pheah Khluon.

2. More forces from the clobbered and demoralized 3d Division have deserted. Over 80 men from the 9th Regiment, 3d Division and over 50 men from the 7th Regiment, 3d Division have fled.

Indonesia

Indonesia: Official Views Problems Faced by Taiwan Investors

BK1902121396 Jakarta KOMPAS in Indonesian 19 Feb 96

[Unattributed report — received via Internet]

[FBIS Translated Text] Taipei, KOMPAS — Taiwan investment in Indonesia reached $32.067 million in 1995, an increase of 56 percent over 1994. Nevertheless, Taiwan investors have criticized bureaucratic procedures and weak laws or regulations as obstacles to their entry into Indonesia.

This was disclosed last weekend by J.B. Utoro, head of the Indonesian Trade and Economic Office in Taipei. He was contacted about Taiwan's growing investment in Indonesia, Taiwan's desire to become the fifth largest investor in Indonesia, and the Beijing-Taipei conflict, which has worsened lately and is a factor that could discourage Taiwan investors from going to mainland China and prompt them to look to other countries, including Indonesia.

Utoro said Taiwan investment included, among others: $6.6 million in the banking and insurance sector, $4.3 million in the chemical sector, $2.55 million in the textile sector, $2.1 million in the production of paper and printed products, $2.1 million in the manufacturing of electronic products and electrical appliances, $1.4 million in the production of garment and footwear, and $4.8 million in other industries.

Outcome of a Survey

According to Utoro, a survey conducted by the Chung-Hua Institution for Economic Research [preceding name in English] on the behavior and characteristics of Taiwan investment in Indonesia revealed that Taiwan investors have been prompted to invest in Indonesia for several reasons.

First, they want to take advantage of cheap labor (83.7 percent). This factor is more important for large-scale than for small-scale companies.

Second, they want to expand sales to local or third country markets (63.3 percent). The market factor is more important for small-scale than for large-scale companies.

Third, the appreciation of the NT [New Taiwan] dollar, Taiwan's currency, is equally an important factor for large- and small-scale companies (46.9 percent).

Fourth, between 20 and 30 percent of the respondents representing large- and small-scale companies said they have been motivated by low land prices, the availability of raw materials, the desire to avoid trade restrictions or obstacles and cooperate with other companies, and low electricity and water rates.

There are several reasons for Taiwan investment in Indonesia. The existence of good relations with local businessmen or individuals is an example (45.8 percent). According to the survey, a long-established working network created by Taiwan businessmen is an important factor for Taiwan businessmen in choosing this location. Ethnic Chinese in Indonesia have played an important role in establishing investment and trade relations with ethnic Chinese in newly industrialized countries (Singapore, Hong Kong, and Taiwan).

Other factors that have prompted them to invest in Indonesia are political stability (35.4 percent) and opportunities to take advantage of export privileges to third countries, such as the GSP [Generalized System of Preferences] and unused textile quotas.

"The Indonesian infrastructure, strong support industries, interesting fiscal incentives, and minor government intervention have, in fact, not become reasons for Taiwan to choose Indonesia as an investment site. This shows Indonesia's weakness in attracting Taiwan investors. In particular, the infrastructure is still weak and industries producing capital goods are not yet strong," Utoro said.

According to the survey, bureaucratic procedures or red tape [preceding two words in English] are the most serious problem that the Indonesian Government must address because they have become a factor that hamper the entry of Taiwan investors into Indonesia.

Weak laws or regulations have been identified by many investors as a major problem because they have led to high transaction costs and a high-cost economy.

Indonesia: East Timorese Hunger Strikers Admitted to Hospital

BK1902063896 Melbourne Radio Australia in English 0500 GMT 19 Feb 96

[FBIS Transcribed Text] In the Indonesian capital, Jakarta, three East Timorese youths who have been on a hunger strike in the Australian Embassy have been admitted to hospital. The three asylum seekers were accompanied by an Australian Embassy doctor and two officials of the International Committee of the Red Cross. Another two East Timorese who entered the Australian Embassy with their compatriots two weeks ago also went with them to the hospital, although they have not been admitted as patients.

The five youths entered the Australian Embassy two weeks ago along with four other East Timorese also seeking political asylum in Australia. Embassy officials have told them they have produced no evidence to justify granting their request for asylum, although they could apply for a visa to Australia. They have also been told they could travel to Portugal, which has accepted applications for asylum from 68 East Timorese who sought refuge in foreign embassies in Jakarta since last September.

Indonesia: Timorese at Australian Embassy End Hunger Strike

LD1902115996 Lisbon RDP Antena 1 Radio Network in Portuguese 1000 GMT 19 Feb 96

[FBIS Translated Text] The Timorese at the Australian Embassy in Jakarta have ended their hunger strike. Four of them are now taking food provided by embassy staffers. Another three were taken to the hospital accompanied by International Red Cross officials.

The three in the hospital are no longer under the protection of the embassy, although the Indonesian Government has given a verbal guarantee that no legal measures will be taken against them.

Australia has so far refused to grant political asylum to this group of Timorese and they in turn are refusing to leave for Portugal.

Indonesia: Niece of East Timor Bishop Reportedly Arrested

BK1902073396 (Internet) INDONESIA Listserv in English 17 Feb 96

[Report attributed to the 16 February issue of "HIDANG" from Jakarta]

[FBIS Transcribed Text] An East Timorese student named Utilia Filipe Ximenes Alves, niece of Bishop Belo, was arrested on Tuesday [13 February] at 11.30 am by troops in civilian clothing in Tanjung Priok. She had just arrived back in Java from Dili by ship.

Utilia put up a fight when officers came to arrest her, insisting that she had done nothing wrong. She was returning from six months vacation in Dili. The armed forces took her into custody because they suspected her of planning to go to an embassy in the capital to ask for asylum. She is also suspected of supporting the clandestine movement.

Utilia insists however that she was returning to Java to complete her studies. "If they were planning to arrest me, why didn't they do it in Dili?" she said. Despite her protests, she was taken away. Nothing is known about what has happened to her since.

Security forces are very busy in Jakarta these days because of the many East Timorese youths and students who have been flooding to Java to seek asylum. Two recently entered the French embassy and were almost immediately flown to Portugal. But nine young people who entered the Australian embassy last week have refused to go to Portugal. They insist on going to Australia although the Australian authorities have rejected their request for asylum, arguing that their grounds for asking for asylum are not strong enough.

Security forces are having to cope with a large number of East Timorese who hang around outside various embassies, particularly the US embassy, hoping for a chance to scale the walls. Most of these young people have nowhere to stay in Jakarta and spend the nights outside shops, churches or newspaper offices.

They have told journalists that the prisons in East Timor are again full of political prisoners. It is hardly surprising that a riot erupted at Becora Prison a few weeks ago, which resulted in shots being fired at a number of political prisoners. One prisoner was shot dead. Among those wounded and still in hospital is Jose Soares Tailolo who was sentenced to nine years for murdering a member of the security forces in 1994. Another of the injured is Agusto dos Santos Moujino who was given a three-year sentence for unfurling a Fretilin [Revolutionary Front for an Independent East Timor] flag in Liquica two years ago.

Following the escape of five political prisoners and three criminal convicts during the riot, there are now 72 political prisoners at the prison, along with 101 criminals. Some East Timorese have urged the authorities to separate the political prisoners from the criminals but the government does not recognise any of the prisoners as being political prisoners and treats them all as criminals.

Indonesia: Irian Jaya Rebels Surrender, Offer To Show GPK's Routes

BK1702104896 Jakarta ANTARA in Indonesian 1414 GMT 16 Feb 96

[FBIS Translated Excerpt] Jakarta, 16 Feb (ANTARA) — Kelly Kwalik, leader of the Irian Jaya GPK [security disturbance movement], has reportedly parted ways with Daniel Yudas Kogoya, another GPK leader who is now holding the hostages.

This information was obtained from two of Kogoya's followers who had surrendered to the military authorities. Lieutenant Colonel Maulud Hidayat, head of the Trikora Eighth Regional Military Command's Information Service, disclosed this to ANTARA in Wamena on Friday night.

The two men also expressed their willingness to guide ABRI [Armed Forces of the Republic of Indonesia] personnel along the traditional routes used by GPK members, who have held members of the Lorentz research team hostage for over one month.

"The two men have expressed their willingness to assist the mediator who will to meet with Yudas Kogoya," said Lt. Col. Maulud Hidayat, who declined the disclose the names of the two men.

The Kogoya-led abductors seem to prefer Christian pastor van der Bijl as a mediator, who has helped develop local communities in Mapnduma. The Netherlands-born churchman has devoted his life to the development of the area for dozens of years.

The hostages are reported to be in good condition, even though their health is deteriorating. Martha Klein, who is several weeks pregnant, is said to be suffering from malaria. [passage omitted on poor condition of the two surrendered rebels]

Indonesia: Military Doubts Irian Jaya Rebel Leaders' 'Parted Ways'

BK1702121496 Jakarta ANTARA in Indonesian 1811 GMT 16 Feb 96

[FBIS Translated Excerpt] Jakarta, 16 Feb (ANTARA) — Major General Suwarno Adiwijoyo, assistant for sociopolitical affairs to the chief of the ABRI [Armed Forces of the Republic of Indonesia] Sociopolitical Affairs, has expressed skepticism about a report that Kelly Kwalik and Daniel Yudas Kogoya, leaders of the Irian Jaya GPK [security disturbance movement], have parted ways. He said it is possible that the two men have adopted a new tactic.

Speaking to ANTARA in Bandung on Friday night, Suwarno, who is also chief of the ABRI Information Service, said ABRI did not trust the report because after Kwalik had received strong criticisms, he decided to flee the scene and avoid the "dangerous" situation.

"It can be their tactic because criticisms will then be directed at Kogoya while Kwalik will be safe. Anyway, Kogoya is just Kwalik's follower," he said.

The next question, he said, is to find out where Kwalik has gone because up to now nobody knows where he is. [passage omitted]

Indonesia: ABRI Continues To Use Churchmen as Hostage Mediators

BK1702133396 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 17 Feb 96

[FBIS Translated Excerpt] ABRI [Armed Forces of the Republic of Indonesia] will continue to use churchmen as mediators in efforts to free 13 members of the Lorentz research team, currently still held hostage by Irian Jaya GPK [security disturbance movement] in Mapnduma village, Tiom subdustrict, Jayawijaya district, Irian Jaya province.

Speaking to reporters in Jayapura today, Lieutenant Colonel Maulud Hidayat, head of the Trikora Eighth Regional Military Command's Information Service, said that using churchmen as mediators is the best option for the GPK abductors. However, security authorities also continue to use their persuasive approach to solve the hostage-taking crisis by launching territorial operations and assisting local villagers. [passage omitted covered by referent item]

Indonesia: Hostages Said 'Physically Weak' From Hunger, Illness

BK1902031796 Jakarta ANTARA in Indonesian 1435 GMT 18 Feb 96

[FBIS Translated Excerpt] Wamena, 18 Feb (ANTARA) — The hostages still being held by the Irian Jaya GPK [security disturbance movement] in the jungle near Mapnduma village are thought to be unable to move fast or far from the site because they are physically weak from hunger and illness.

Speaking to ANTARA on Sunday, Infantry Lieutenant Colonel Maulud Hidayat, head of the Trikora Eighth Region Military Command's Information Service, said the military learned of the hostages' poor physical condition from the letters they wrote to Irian Jaya Bishop Munninghoff as well as from information given by two GPK members who surrendered on Thursday. He said one of the hostages, Martha Klein, in a letter dated 5 February, said her physical condition was deteriorating because of lack of food and medicine as well as malaria. Therefore, the hostages asked the ABRI [Armed Forces of the Republic of Indonesia] to send them food and medicine.

Lt. Col. Hidayat said the worsening physical condition of the hostages will make it hard for them and the abductors to move fast or far. He noted that if his assumption is correct, the hostages must not be far from Mapnduma village. [passage omitted on GPK leaders' split covered by referent item]

Indonesia: Suharto Launches N-2130 Aircraft Project

BK1902105396 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 19 Feb 96

[FBIS Translated Text] President Suharto says the project by IPTN [Nusantara Aviation Industries] to build the N-2130 aircraft is by no means an elite project because members of the public really need the air transportation capability. Speaking this morning at the signing of a memorandum of understanding between 2130 Co. Ltd. and IPTN at Jakarta's Merdeka Palace, the president noted that the jet-engined N-2130 aircraft project is not only a commercial undertaking but will also meet public needs and serve global markets.

The head of state added that it is impossible to finance the $2 billion N-2130 aircraft project from the state's budget because there are other programs that also need financing. One of them is the program to eradicate poverty.

After the signing ceremony, 2130 Co. Ltd. Director Saadillah Mursyid said the company has $400 million of initial capital and paid-up capital of $100 million.

Laos

Laos: High-Level Rangoon Delegation Arrives for Visit

BK1702104696 Vientiane KPL in English 1006 GMT 15 Feb 96

[FBIS Transcribed Text] Vientiane, February 15 (KPL) — A high-level delegation of Rangoon, capital of the Union of Myanmar [Burma], led by its mayor who is also president of the Development Committee of Rangoon, arrived here yesterday afternoon for a friendly visit to Laos on February 15 to 19.

During its visit, the Rangoon delegation will hold talks with a Lao delegation of Vientiane prefecture. The two delegations will exchange experiences and discuss future cooperation. The Myanmar delegation will also call on several Lao leaders of the party and government and visit some economic and cultural sites in Vientiane prefecture, Vientiane and Luang Prabang provinces.

The visit is in response to the invitation of Mr. Boungnang Volachit, mayor of Vientiane prefecture.

Laos: Foreign Ministry Delegation Visits Burma

BK1902080396 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 19 Feb 96

[FBIS Translated Text] A source at the Lao Embassy in Rangoon says that on the morning of 16 February, during a visit to the Union of Myanmar [Burma], Phongsavat Boupha, deputy minister for foreign affairs and his party called on Lieutenant General Khin Nyunt, first secretary of the State Law and Order Restoration Council [SLORC] of the Union of Myanmar. The delegation was accompanied by Li Bounkham, Lao ambassador extraordinary and plenipotentiary to the Union of Myanmar.

During the meeting, Phongsavat Boupha reviewed the history of fine traditional relations between Laos and Myanmar, noting that such ties have been continually developed and strengthened, particularly following the frequent exchange of visits between the leaders of the two countries. In return, Lt. Gen. Khin Nyunt said he was proud to see that the two countries and peoples have recently developed even closer ties and cooperation in various fields. He noted that Laos and Myanmar are close neighbors whose peoples share similar cultures and traditions. In conclusion, Lt. Gen. Khin Nyunt added that in his own name and on behalf of General

Than Shwe, SLORC chairman and prime minister of the Union of Myanmar, he conveyed best wishes to their excellencies President Nouhak Phoumsavat and Prime Minister Khamtai Siphandon.

Earlier, on the afternoon of 15 February, our Foreign Affairs Ministry delegation paid a courtesy call on His Excellency Ohn Gyaw, foreign affairs minister of the Union of Myanmar, and held official talks with a Foreign Affairs Ministry delegation of the Union of Myanmar headed by U Nyunt Swe, deputy foreign affairs minister. During the talks, the two sides informed each other of the internal situation in their respective countries, exchanged views on various international issues of mutual interest, and discussed the development of mutual cooperation. The meeting was held amid an atmosphere of intimate friendship, mutual understanding, and optimism.

Laos: Talks Held With Visiting Thai House Delegations

BK2002115296 Vientiane KPL in English 0941 GMT 19 Feb 96

[FBIS Transcribed Text] Vientiane, February 16 (KPL) — Talks between the high-level delegations of the National Assembly of the Lao PDR [People's Democratic Republic] and of the House of Representatives of the Kingdom of Thailand took place at the National Assembly yesterday.

During the talks, the Lao delegation informed its guests of the socio-economic development in the country over the past 20 years. Until now, Lao people have enjoyed the initial achievement of the principled renovation policy, which has brought about national stability, social order, and economic growth at an annual rate of 7-8 percent. The per capita income reached US$350 in 1995. There have been over 600 projects of foreign investments worth over five billion U.S. dollars from 31 countries so far. Of these, over 200 projects worth one billion U.S. dollars are of Thai investors.

The Thai guests were also informed of the tasks, roles, and activities of the Lao National Assembly.

The Thai side informed the Lao delegation of the activities of its House of Representatives.

Stress was made on further expansion of the relations between the two legislative bodies by exchanging visits of delegations at various levels to share legislative experiences with each other.

Heading the Lao delegation was Saman Vi-gnaket, president of the National Assembly, and the Thai delegation was led by Mr. Bun-ua Prasoetsuwan, speaker of the House of Representatives and president of the National Assembly.

The delegation of the House of Representatives of the Kingdom of Thailand arrived here on February 15 on a four-day official cordial visit to Laos.

Laos: Defense Minister, Delegation Return From SRV

BK1902070896 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 19 Feb 96

[FBIS Translated Text] A high-level Ministry of National Defense delegation headed by Lieutenant General Choummali Sai-gnason, member of the party Central Committee Political Bureau and national defense minister, returned to Vientiane yesterday morning after concluding a five-day working visit to Vietnam at the invitation of General Doan Khue, member of the Political Bureau of the Communist Party of Vietnam [CPV] Central Committee and SRV national defense minister.

During its stay in Vietnam, our high-level National Defense Ministry delegation paid courtesy calls on CPV leaders; held talks with a high-level delegation from the SRV National Defense Ministry; and signed a protocol on cooperation between the Lao and Vietnamese Armies in 1996 in order to strengthen and enhance the traditional and time-honored relations of friendship, special solidarity, and comprehensive cooperation between the two countries in general and between the two armies in particular. Our delegation also laid wreaths at the monument to the unknown soldiers of the Vietnamese People's Army and at Ho Chi Minh's mausoleum and visited the Fifth Region Army and other Army installations.

A welcoming ceremony for the delegation was held at the National Defense Ministry in Vientiane in the presence of Lt. Gen. Siphon Phalikhan, member of the party Central Committee, deputy national defense minister, and chief of the Army's General Political Department; representatives of the three general departments and the office of the National Defense Ministry; and several high and middle-ranking military officers.

Philippines

Philippines: PRC Ambassador Discusses Spratlys, Taiwan, APEC

BK1902105696 Manila THE SUNDAY CHRONICLE in English 11 Feb 96 p 6

[Interview with PRC Ambassador Guan Deming by Anna Liza S. Guiwa; place and date not given]

[FBIS Transcribed Text] [Guiwa] What would China do to settle the dispute over the Spratlys, what you call the

Nansha Islands? Do you foresee any joint development of the area?

[Guan] In Chinese view, China holds indisputable sovereignty over the Nansha Islands and their adjacent waters. The Nansha Islands have been an indisputable part of the Chinese territory since ancient times. They are by no means a "stateless territory." This fact is convincing enough to prevent any other country, ever since in history, from changing China's legal status that Nansha Islands belong to China under whatever pretext or in whatever form. It must be pointed out that no country in the world has ever challenged China's position on the Nansha Islands before the 1970's. Only after the 1970's did some countries voice their claims to the Nansha Islands in succession.

From the standpoint of the Chinese Government, none of these claims can hold water, but China has all along exercised utmost restraint and proceeded in a prudent manner. Initiated by Comrade Deng Xiaoping, the proposition that "China has sovereignty over the Nansha Islands, (must) shelve the dispute and carry a common development" is the guideline for the solution to the Nansha question. China has always maintained that the dispute between China and the Philippines in the Nansha Islands should not affect our normal development of bilateral relations. Related disputes should be settled in a peaceful and friendly manner through consultations on the basis of equality and mutual respect.

In early August of last year, Chinese Assistant Foreign Minister Wang Yingfan and the Philippine Undersecretary, Rodolfo Severino, held consultations on the South China Sea in Manila. The consultations, covering the dispute over sovereignty of the Nansha Islands, code of conduct; cooperation and common development, were held in an atmosphere of cordiality and in a frank constructive manner. After an in-depth discussion, the two sides reached consensus and issued a joint statement. The talks ended with both sides gratified that some progress has been made in terms of improving the atmosphere of bilateral relations. They pledged to continue consultations in the same constructive spirit.

[Guiwa] There has been uneasiness in the international community over your actions on Taiwan. How do you address this unease? And what does China intend to do, geopolitically, in the Asia-Pacific, especially in light of the vacuum created by the withdrawal of the United States troops from the Philippines.

[Guan] The Chinese people are now undertaking a gigantic transformation by way of reform and opening up. China's socialist modernization drive needs a stable and peaceful peripheral and international environment. China's social system, development strategy, struggle objective, and current policy have all determined our adherence to the peaceful foreign policy for the attainment of the magnificent goal of modernization. The top priority we have given in our foreign policy is to develop good-neighborly and friendly relations with surrounding countries. We are a peace-loving nation anxious to develop our country. A stable, prosperous China constitutes a positive factor and a staunch force championing the cause of world peace and common development.

[Guiwa] Security experts from the Western countries have declared that China poses a threat to the Asia-Pacific region, particularly in light of the dispute over the Kalayaan or the Spratlys. What is Beijing's view on this?

[Guan] Some people fear that China will pose a threat to other countries when it becomes economically developed in the future. I'd like to say that China has never been and will never be a threat to other countries. For more than a century, China has been tragically bullied, humiliated and plundered by high powers. Never has China committed aggression or expansionism. Nor does China have any designs to threaten or invade other countries. A handful of people harbor ulterior motives in their move of trumpeting the so-called "China threat theory". On the one hand, they are wracking their brains to "contain" the rise of China; on the other hand, they viciously attempt to foment discord between China and its neighboring countries, jeopardizing their good-neighborly and friendly relations. In essence, these people are still haunted and plagued by the mode of thinking once rampant in the Cold War era. All the people of goodwill should distinguish between truth and falsehood and keep vigilant against their sinister plots.

[Guiwa] Do you foresee the reunification of the mainland China and Taiwan? It was also reported recently that after Hong Kong reverts to the Chinese Government in 1997, Macao and Taiwan fill follow suit. Comment on that.

[Guan] There is one China in the world. Taiwan is an inalienable part of Chinese territory and the Government of the People's Republic of China is the sole legal government representing the entire Chinese people. The question is a vital principled issue involving the great cause of China's national reunification. Consequently, the Chinese people feel strongly about it. To settle the Taiwan question and achieve national reunification is in conformity with the supreme interests of the Chinese nation and a sacrosanct mission and lofty goal of the entire Chinese people. The Chinese Government and the people will never, at any time or under any circumstances, make concessions on this major issue of principle which bears upon their national reunification.

The Chinese Government is determined to resort to all possible methods to safeguard China's state sovereignty and territorial integrity. Any internal or external attempt to split China is doomed to failure.

In recent years, an adverse current aimed at splitting China and creating "two Chinas" or "one China, one Taiwan" has appeared on the international arena. Some people recklessly clamor for "Taiwan independence," degenerating themselves into dregs to be condemned by history through ages. We resolutely oppose and absolutely cannot accept these acts. We also hope all the people of vision and insight will not be tainted with this muddy stream.

President Ramos has reiterated on many occasions the commitment to the "one-China" policy. We are convinced that the Philippine Government will abide by the principles instituted in the Joint Communique on the establishment of diplomatic relations and pledge itself to truly honor its "one China" policy and guard against the so-called "southward policy", notably the political scheme of the Taiwan authorities to create "two Chinas" or "one China, one Taiwan" under the pretext of investments, economic and trade exchanges.

On the case of Macao, China expects that the territory will be under its sovereignty before the end of the century, or by 1999. Beijing is planning to develop the area to become one its vital economic zones.

[Guiwa] On Philippines-China relations. How do you assess the two countries' trade and economic cooperation, as well as their cultural exchanges?

[Guan] Since the establishment of diplomatic ties between China and the Philippines in June 1975, our bilateral relations have entered a new stage. Looking back on the course of our relations, we feel satisfied with the rapid progress made in various fields. I'd like to emphasize that senior leaders of both countries have maintained close contracts and frequent exchanges of visits in recent years, which are of primary importance to the mutual enhancement of understanding, trust and friendship. Senior visitors from China include Premier Li Peng, NPC [National People's Council] Standing Committee Chairman Quiao Shi and Vice Chairman Wang Hanbin, Vice-Premier and Foreign Minister Qian Qichen, Minister Wu Yi of the Foreign Trade and Economic Cooperation, Minister Li Tieying of the State Commission for Restructuring the Economy, Minister Sun Jiazheng of Radio, Film and Television, and Mr. Zhu Liang, chairman of the NPC Foreign Relations Committee. On the Philippines' side, distinguished guests were President Ramos, Vice-President Joseph Estrada, House Speaker de Venecia, [former] Secretary of Foreign Affairs Roberto Romulo, [former] Secretary Angel Alcala of Environment and Natural Resources, Secretary Cielito Habito of the National Economic and Development Authority, Secretary Rizalino Navarro of Trade and Industry. Not long ago, Senate President Pro Tempore Leticia Ramos Shahani led the delegation of the Philippine Government to participate in the United Nations Fourth World Conference on Women.

Consular relations between China and the Philippines have achieved an inspiringly breakthrough with the agreement reached on the mutual establishment of consulates-general by exchanging of notes on 8 December 1994. The Consulate-General of the Philippines in Xiamen was opened in February last year, while China's Consulate- General in Cebu was also opened last October.

There has emerged a strong momentum of rapid growth in the economic and trade relations between China and the Philippines. The two-way trade volume in 1993 was $495 million, and in 1994 it reached $748 million, an increase of 51%, as compared with 1993, creating two historically highest records in terms of the total trade volume and the growth of the trade volume. From January to June of 1994, the import and export volume between China and the Philippines totaled $531 million, an increase of 67.327% over the same period of 1994. The two-way trade volume of 1995 is expected to exceed $1 billion, achieving ahead of schedule the goal set to double the trade volume of the year of 1993.

[Guan continues] The past two or three years have registered rapid advancements in Sino-Filipino economic cooperation. The enterprises and trade and economic offices set up by China in the Philippines have summed up to 42 with about 500 staffers and an investment of $83 million, nearly doubling the figures of 1992. Investments from China cover various fields; some companies from the Philippines also made a certain number of investments in China. On 28 July 1995, President Ramos officially ratified the Agreement between China and the Philippines on the Encouragement and Reciprocity of Investments, lending more impetus to further increase investments between our two countries.

China and the Philippines boast brisk and active cultural exchanges. The year of 1979 saw the signing of the Cultural Agreement between governments of China and the Philippines in Beijing, while the year of 1980 witnessed the conclusion of the Sino-Filipino Executive Agreement Program for Cultural Agreement. Eight biennial executive programs have been signed (so far). The Philippines is the only country in the ASEAN which has consecutively signed with China Executive Programs for Cultural Agreement. The importance attached to by the two governments and the adherence to the principles of equality, mutual respect and benefit, friendly consultation and learning from each other, have enabled the smooth implementation of all in terms covered in the Executive Programs for Cultural Agreement.

There have been frequent exchanges of visits of governmental cultural delegations led by senior officials from the cultural circle. Many art troupes from China visited the Philippines and quite a number of performance groups from the Philippines also went to China. Cultural exchanges between China and the Philippines, with their unique characteristics, have greatly enhanced mutual understanding and friendship between our two peoples and promoted our bilateral friendly relations and cooperations to a new high.

[Guiwa] What is China's policy toward the Asia-Pacific? And what is China's role in the Asia Pacific Economic Cooperation (APEC) group?

[Guan] Mankind are approaching the threshold of the 21st century. Reviewing the past and looking into the future, we are imbued with full confidence. The Chinese people are ready to work hard to further enhance its friendly relations and cooperation among the countries in the entire region of Asia-Pacific.

Along with 17 other member economies, China plays a very important role in the APEC in promoting regional trade and economic cooperation. China has been actively involved in all of the activities by APEC, for example, the APEC Summit meetings held in Seattle, Bogor and Tokyo. Our President, Jiang Zemin, has been in attendance during those APEC Leaders' Summit held in the United States, Indonesia and Japan. Beijing's long-standing position on the APEC, since its establishment in 1989, is to fully support APEC goals and primary objectives.

[Guiwa] Can you confirm the attendance of Chinese President Jiang Zemin in the APEC Summit to be held in Manila this year?

[Guan] President Jiang Zemin has been in full support for the APEC. Definitely, he is coming to attend the APEC Summit in Manila on November.

[Guiwa] What would be China's policy towards the Filipino migrant workers in Hong Kong once it reverts to Chinese sovereignty in 1997? Would it still be the same policy as it was before under the British government?

[Guan] President Jiang Zemin and Philippine President Ramos held bilateral meetings during the international conferences which they both attended previously. If I may recall, the two leaders held a "one-on-one meeting" during the APEC Leaders' Summit in Tokyo last November and discussed about the matter. To my understanding, Mr. Jiang assured President Ramos that the policy of China towards the Filipino workers in Hong Kong will continue to be on the right track. The Chinese Government would continue to extend assistance to the Filipino workers working in Hong Kong.

[Guiwa] What is China's position on the labor migration issue which is now being considered by the APEC Working Group? Do you foresee the forging of a labor agreement between China and Philippines to protect Filipino migrant workers both in mainland China and in Hong Kong?

[Guan] I wish to reiterate that China would continue to support APEC and all the provisions embodied in the APEC Declarations which have been and are still being made.

Again, I would say that China would fully support any proposal that may help promote and strengthen the two countries' mutual understanding and friendly relations.

Philippines Official Fears Dangers of PRC, Taiwan 'Stand-Off'

BK2002063796 Quezon City MALAYA in English 14 Feb 96 p 2

[Report by Jean Magdaraog with Ariel Digma]

[FBIS Transcribed Text] Foreign Affairs Secretary Domingo Siazon Jr. yesterday warned that any immediate military stand-off between the People's Republic of China [PRC] and Taiwan will pose great danger on the Philippines especially Northern Luzon.

Siazon also ruled out the filing of a diplomatic protest against China for the arrest of 20 Chinese suspected of piracy and smuggling in Subic Bay last Saturday [10 February].

Siazon said the 20 were arrested for a "simple act of encroachment of territory", an offense which, he said, does not warrant the filing of a protest.

On the possible stand-off between China and Taiwan, Siazon said, "Any major military action between PRC and Taiwan will have an impact on us especially our fishermen in that area," Siazon told diplomatic reporters in a briefing.

Siazon explained a standoff between the two is likely even if China has no intention to attack Taiwan.

"Maaaring walang intensiyon ang China [China may not have the intention] but we can have an accident. So many soldiers are concentrated in the area," he warned.

China has conducted military exercises in Taiwan's straits. The move is seen as a way to intimidate Taiwan which is set to hold its first democratic presidential elections on 23 March, an event seen by China as a prelude to more aggressive lobbying by Taiwan to be recognized as a sovereign state by the United Nations.

Philippines: Accords Signed With Papua New Guinea

BK1902121296 Manila MANILA BULLETIN in English 10 Feb 96 pp 1, 8

[Report by Milet O. Santos]

[FBIS Transcribed Text] President Ramos and Prime Minister Julius Chan of Papua New Guinea agreed yesterday to intensify exchanges and interactions between their two countries, particularly in the economic field.

In a joint press conference following the two leaders' one-on-one meeting in Malacanang, Mr. Ramos announced the signing of a memorandum of understanding on tourism cooperation, an agreement on the reciprocal promotion and protection of investments, and the finalization of another agreement to prevent double taxation of their nationals.

"This visit will bring our countries closer together and erase any geographical and mental borders that might still exist," Mr. Ramos said.

He said that they also agreed that a working group will convene regularly as a forum. The group will lead to a joint commission in due time.

He added that serious consideration will also be given to the Philippine proposal to conclude a bilateral agreement on fisheries.

"I proposed that the flow of investments be facilitated through the conclusion of a bilateral agreement on fisheries which will provide the framework for the activities our private sector may engage in," Mr. Ramos said.

Prime Minister Chan briefed the president on his country's desire to develop closer ties with Asian countries, notably members of the Association of Southeast Asian Nations.

He expressed optimism that Papua New Guinea will be able to identify more opportunities for enhancing bilateral cooperation, particularly in trade and investment education and development cooperation.

"I assured Prime Minister Chan that my government regards the strengthening of its relations with Papua New Guinea and other Pacific nations as among its foreign policy priorities," Ramos said.

He also assured the visiting leader that the Philippines will dispatch Filipino teachers and other experts to help in the development of Papua New Guinea.

There are more than 12,000 Filipino workers in Papua New Guinea, most of them in managerial and technical positions.

Mr. Chan assured that all Filipino workers in his country will continue to enjoy the same rights accorded to Papua New Guinea nationals.

Chan also solicited the help of President Ramos as chairman of the Group of 77 in giving special attention to the small island states of the Pacific through various international fora.

"We need the help of the Philippines to give special consideration to the small island states," he said.

Mr. Ramos replied that he would be "extremely happy" to assist small Pacific nations by bringing their concerns to various channels — the Asia-Pacific Economic Cooperation (APEC) and the Asia-Pacific Parliamentary Union and though the networking among business people with the small Pacific nations.

Both leaders also expressed relief over the recent conclusion of the French nuclear tests in the Pacific.

They, however, manifested their apprehensions over the tests' long-term damage to the fragile environment of the region and its negative impact on the global campaign for non-nuclear proliferation.

Chan [subhead]

Prime Minister Julius Chan of Papua New Guinea arrived two days ago in Manila for a five-day visit aimed at enhancing economic relations with the Philippines.

Chan, accompanied by his wife Stella, is also his country's minister of foreign affairs and trade.

His visit which includes trips to Olongapo City and Davao will be an opportunity for the two countries to improve cooperation efforts.

Papua New Guinea is among the closest neighbors of the Philippines in the Pacific, an influential member of the South Pacific Forum, an observer in the Association of Southeast Asian Nations (ASEAN) and a participant in the Asia Pacific Economic Cooperation (APEC) and the ASEAN Regional Forum (ARF).

It is rich in natural resources, particularly minerals, timber and other primary products and can be a potential source of these materials-for the Philippines.

The prime minister's entourage include Minister for Civil Aviation Culture Brig. Gen. Ken Noga [name as published]; director general of Papua New Guinea's Department of the Prime Minister; Isaac Lupari, first assistant secretary, Department of Finance.

This is Chan's third visit to the Philippines. His first trip to Manila was in 1976 as finance minister and delegate to the joint International Monetary Fund, World Bank meeting. He came back in September 1980 as prime minister.

Philippines: Ramos Urges Military To Repudiate Martial Law

BK1902024396 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 18 Feb 96

[FBIS Translated Text] President Ramos has challenged the Armed Forces of the Philippines to abandon any plans that would lead to the declaration of martial law. During the 91st Foundation Day of the Philippine Military Academy [PMA], the president expressed confidence that the leaders in attendance would be among those who would lead the abandonment of any plans for declaration of martial law. He called those who are spreading the story of an impending declaration of martial law great fiction writers. President Ramos, however, stressed anew the need for stronger laws against the threat of terrorism. He also denied accusations that the government was involved in several bombings to justify passage of the antiterrorism bill.

Meanwhile, opposition Senator Gringo [Gregorio] Honasan gave a negative reaction to the changes President Ramos cited during the program. According to Honasan, the government has failed to bring about positive changes in the 10 years since the EDSA [Epifanio de los Santos Avenue] Revolution. This was the first time Honasan had attended the PMA alumni homecoming in 10 years.

Philippines: Enrile Denies Military Involvement in Bombings

BK1902035496 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 18 Feb 96

[FBIS Translated Text] General Arturo Enrile, AFP [Armed Forces of the Philippines] chief of staff, has denied the military was involved in the bombing of two commercial buildings in Makati last Wednesday [14 February]. According to General Enrile, the AFP would never allow itself to participate in any show for the sake of politics. He added that he is staking his reputation as AFP chief that no soldier was involved in the bombings in Makati.

Enrile made this announcement in response to allegations by several church and political sources that the military was involved in the bombing of the Citibank Towers and Pilipinas Shell Petroleum last Wednesday.

Thailand

Thai Government To Review Phaisan Insurance Call for Branches

BK1702123396 Bangkok THE NATION in English 17 Feb 96 pp B1, B2

[Report by Watsana Khompricha]

[FBIS Transcribed Text] Commerce Minister Chuchip Hansawat will raise the Universal Insurance Co issue with the Council of Economic Ministers on Monday, setting the stage for a possible about face that would allow American International Group to open branches in Thailand.

Also known as Phaisan Insurance, the general insurance firm, 99 per cent owned by the U.S. company, currently operates 11 representative offices but wants to convert them into branches. A Cabinet source said the Banhan government would review the official position on the issue, although the Juridical Council previously ruled that the unit was not a Thai firm under the guidelines of General Insurance Act BE [Buddhist Era] 2535.

However, the United States claims the Thai-U.S. Treaty of Amity calls for equal treatment for U.S. firms operating in Thailand:

Last June, the International Economic Relations Committee under then caretaker Prime Minister Chuan Likphai agreed to have the Commerce Ministry amend the general insurance law to comply with the Thai-U.S. treaty. But the matter was dropped with the change of government.

Previously, the Juridical Council said Universal Insurance could be treated as a Thai firm if there was a legislative amendment to support the change. Under the current law, insurance firms which are more than 25 per cent foreign-owned are regarded as foreign firms, and not permitted to open more than one branch in Thailand.

The Universal Insurance issue has remained unresolved since 1993 due to conflicts between the general insurance law and the Thai-U.S. Treaty of Amity.

The source said if Universal Insurance was permitted by the government to open more branches, six other foreign insurance firms would have to be treated accordingly.

The firms include Guardian Insurance, which is 49 per cent owned by foreign concerns; Commercial Union (49 per cent foreign owned); China Insurance (48.67 per cent foreign owned); New Zealand Insurance (49 per cent foreign owned); Krungthep Insurance (29.99 per cent foreign owned); and Simuang Insurance (28.28 per cent foreign owned).

The Commerce Ministry said it had proposed two other alternatives to the Universal Insurance issue, but it would not elaborate.

Former Deputy Prime Minister Suphachai Phanitchaphak had supported the amendment and urged the United States to wait for him to take action on the matter.

He also said he was considering giving the company the go-ahead by invoking an exceptional clause under the Alien Business Law. At the time, Suphachai was chairman of the International Economic Relations Committee.

In addition to Universal Insurance, AIG owns American International Assurance, which controls the lion's share of the Thai life insurance market.

Thailand: EU Concerns Over Burma Cloud Mekong Growth Project

BK1702143596 Bangkok THE NATION in English 17 Feb 96 p B1

[Report by Surachai Chupaka, Wichit Chaitrong, and Yindi Loetcharoenchok]

[FBIS Transcribed Text] Chiang Rai — The European Union, enthusiastic to join ASEAN and other Asian countries in the Mekong sub-regional development programme, has expressed reservations regarding Burma's participation due to political reasons.

The 15-country European Union has also threatened to withdraw tariff privileges extended to Burma under the Generalized System of Preference (GSP) if forced labour charges turn out to be true, according to Daniel Descoutures, charge d'affaires for the European Commission in Bangkok.

"The EU is very concerned about allegations of forced labour in Burma and the EU Commission decided in January to investigate the issue," he said.

The EU is also closely monitoring political developments in Burma, he said.

"Although the withdrawal of GSP might not make Burma feel threatened as its tariff privileges are at a minimum level, it would send a strong message from the EU on the issue," he said.

The EU is considering providing greater economic cooperation for Laos, Cambodia and Burma but the undemocratic political situation in Burma has hindered cooperation with the Rangoon junta.

The EU is enthusiastic to join Asian nations in developing Indochinese countries but has reservations about Burma, he said.

Descoutures said the EU is interested in joining Asian countries to develop infrastructure projects in Laos and Cambodia.

However, the EU would not participate in any international financial institution that provides greater economic cooperation with Burma unless the political situation improves, he said.

His statement was in response to an agreement between 10 Asian economic ministers who met in Chiang Rai on Thursday to persuade the EU to jointly develop the Mekong sub-region, particularly Burma, Laos and Cambodia.

This initiative is expected to be raised at the first Asia-Europe summit meeting in Bangkok on March 1-2.

Although the State Law and Order Restoration Council is moving in the right direction towards democracy, it has not gone far enough, he said.

The political situation has not made much progress since the SLORC [State Law and Order Restoration Council] released democratic leader Aung San Suu Kyi from her six years of house arrest last July and started drafting a constitution.

He said the EU is closely monitoring how the Burmese Government would integrate the different forces and conduct the constitution.

Deputy Prime Minister Amnuai Wirawan said at the end of the informal meeting of ten Asian ministers that Asian nations and the EU are interested in participating in the development of the Mekong basin, which covers southern China, Burma, Thailand, Laos, Cambodia and Vietnam.

The German Government invited the Thai minister for transport and telecommunications to visit Germany in May to promote the development projects while South Korea has asked economic ministers from six countries to visit in March, Amnuai said.

Economic ministers from the ASEAN nations of Brunei, Indonesia, Malaysia, Singapore, the Philippines, Thailand, and Vietnam, as well as China, Japan and South Korea, met informally in Chiang Rai in preparation for the Asia-Europe summit, at which ten Asian and 15 EU leaders will meet for the first time to discuss greater political, economic and social cooperation.

Thailand: 'Sincere Partnership' With European States Urged

BK1602071496 Bangkok THAILAND TIMES in English 16 Feb 96 p 4

[Editorial: "EU Must Come As Equals"]

[FBIS Transcribed Text] The ramifications of Asian economic empowerment is certainly far-reaching. The world have witnessed how the stunning performance of some Asian economies created its own "domino" effect. Not the expected collapse of governments before the communist scourge but its a complete reverse. An economic revolution.

Through diligence and entrepreneurship, fostered by pragmatic Asian governments, the sustained improvements in standards of living in ASEAN member states induced the ideological restraints of neighboring countries to crumble. It has called them out of their isolation, and encouraged them to open up before new market possibilities.

The competition between the United States and the European Union to pursue economic partnership with the Southeast and East Asia is an acknowledgement of the dynamic growth and economic reality and opportunities in the region.

Asian societies, will welcome partnership that will enhance the prospects of sustained growth and attaining more humane living standards for the millions who, until now, have been living on the periphery of the global community.

It would be a tragedy if Asian leaders allowed the residue of the familiar, but now outmoded Cold War mind-set, misguided views and myopic stubbornness to engender new tensions in the region.

Trade across the Pacific Ocean has contributed enormously to the prosperity of Asia, more than aid and economic assistance in the name of humanity. But trade is increasingly being used as the new locus of leverage. It is the new cutting edge for imposing foreign defined dictums of political correctness on Asia. This is indeed a dangerous trend which Asian leaders must view with great concern.

The rise of Asian economic strength will inevitably, exert influence on the pattern of global relations especially, those pertaining to the interest of the region, its people and its governments. But this begs the question: How many of the Asian leaders have at least attempted to highlight this fact at world forums. A single voice is not enough, it needs a collective Asian stand.

While pragmatism will continue to be the guiding principle among all parties in forging economic partnerships, non-economic factors, such as values, traditions and political practices, are no less important.

But those extending the hand of partnership must be aware of the differences of cultures and values. Traditions, real or perceived, should not be a hindrance in the search for commonalities and mutually beneficial relations between nations of the two continents.

Genuine partnership can only come from mutual understanding, not with the European mentality of the ruled and the ruler, but by a true meeting of minds as equals. This understanding must be built through tolerance and insight on all sides over the past and present. It must operate with and through the legitimate differences between peoples. Genuine partnership requires the equity of mutual respect.

Those seeking a partnership with Asia, must appreciate that there is an internally generated awareness in Asia, a home grown spirit of reform, urged on by the Asian experience and sustained by their own enduring aspiration for the betterment of the people of Asia.

Unlike Thailand, others of the region had been for centuries colonized and regulated by members of the European Union. And now the enlargement of Asian freedoms through prosperity and determination have guided them to the table not as subjects and masters but by their own right as independent sovereign states and leaders of economies in the region.

What no society should be impelled to do is to accept that there is only one formula for change. That was the false limitation by which the ideological clash of the Cold War stultified and curtailed the options of too many non-western nations.

As genuine partners, Asians must all be entitled to express our options, and indeed to differ in our assessments of the path of reform taken and their priorities.

But there is certainly a world of difference between the forthright, challenging debate of equal partners, and hectoring, the use of economic muscle and improper influence to make others act as you want them. One is the liberality of true friends, while the second is a threat to any friendship let alone a partnership in business.

In Asia, we see a process of reform that is underway, that has generated more positive results, at a minimum of pain, when compared with the disastrous outcome of the shock treatments prescribed by the west for Russia and Eastern Europe.

Asians have been reproached for voicing the right of Asians to pursue their own pace and course in political and economic reforms under the tutelage of their own cultural and social conditions. Asians have been accused of using the assertion of their own cultural identity as a mask to perpetuate the violation of human rights.

We must reject this analysis of Asia by the west altogether. Not because our present or our immediate past is perfect, but because the human condition is like the art, architecture and tastes of peoples. There are different art forms, each incorporating a different view of the world.

The art forms of human living, growing as they do from our system of values and moral beliefs, should be as mutually enriching as are art treasures we appreciate from so many nations.

We in Asia have our own sense of obligations to make our own art forms and the living conditions flourish afresh. They will be of greater value to the whole world and more clearly they are the fruits of our own efforts. In the understanding and nurturing "that," is the hope and promise of peaceful co-existence in its true form and sincere partnership with the European Union.

Thailand: Officials From 18 Countries To Attend Defense Seminar

BK1702105096 Bangkok BANGKOK POST in English 17 Feb 96 p 2

[Unattributed Report]

[FBIS Transcribed Text] Senior military figures from 18 countries are expected at the seminar, organised by the Supreme Command's Strategic Research Institute and Chulalongkon University's Institute for Security and International Studies.

The seminar at the Rose Garden Hotel, Nakhon Pathom, on 19-22 March, will be given the Defence '96 White Paper by Defence Minister Chawalit Yongchaiyut.

Kusuma Sanitwong na Ayutthaya, director of the university institute, hoped the gathering would enhance understanding in regional security developments, including the Spratly Islands dispute involving Brunei, China, Malaysia, the Philippines, Taiwan and Vietnam.

Thailand: Further on Pyongyang's Request for Rice

BK1702154296 Bangkok ZHONG HUA RIBAO in Chinese 15 Feb 96 p 10

[Unattributed Report]

[FBIS Translated Text] The chairman of the North Korean Trade Promotion Committee is in Thailand for rice purchase talks. He has asked Thailand to ship the 130,000 tons of rice that Thailand initially promised to North Korea, but later suspended delivery. He also said that North Korea would buy another 500,000 tons of Thai rice. The Thai Foreign Trade Department still cannot confirm whether or not the deal will be approved. Commerce Minister Chuchip Hansawat said the chairman of the North Korean Trade Promotion Committee had called on him to discuss North Korea's request to buy rice from Thailand.

The chairman of the North Korean Trade Promotion Committee said his country would place a new order to buy rice from Thailand. He asked Thailand to ship the 130,000 tons of rice that the Thai Rice Policy Committee had initially promised but later suspended delivery due to North Korea's default on the payment of rice. Commerce Minister Chuchip said that he would have to submit the issue to the National Rice Policy Committee for consideration.

North Korea has requested that Thailand allow it to pay the debt on an installment basis and has agreed to exchange rice on a countertrade basis. Natural disasters have affected North Korea's food supply, so it has no choice but to buy rice from Thailand again. Thailand may sympathize with North Korea for humanitarian reasons. Thailand has a demand for certain North Korean products, such as steel and fertilizer.

Pracha Charutrakunchai, director general of the Foreign Trade Department, said that North Korea had signed two contracts to buy Thai rice. The first one was signed in 1993 for 100,000 tons of rice. The second one requested buying 300,000 tons of 35 percent rice. Thailand has already delivered 162,188 tons to North Korea. Thailand suspended the shipment of the remaining 130,000 tons because North Korea failed to pay the rice debt.

Recently, North Korea made a request to buy another 500,000 tons of rice due its shortage. The Foreign Trade Department is still not sure whether the National Rice Policy Committee will approve the rice deal.

According to a Commerce Ministry source, North Korea still owes Thailand $31.8 million for the 170,000 tons of rice. It is still not sure if the shipment of the remaining of 130,000 tons of rice will be approved.

Thai Editorial Views Ties With Malaysia, Border Wall

BK1702155896 Bangkok KRUNGTHEP THURAKIT in Thai 17 Feb 96 p 2

[Editorial: "A Question We Must Ask Malaysia"]

[FBIS Translated Text] Concerns have been voiced following the construction of a border wall by Malaysia opposite Satun province. People are afraid that when the line of the border wall extends into the Andaman Sea it will make Thailand's Tarutao island part of Malaysian territory. Thailand could never accept this.

Thai authorities should discuss with Malaysia, Malaysia's intentions behind the move and find out whether or not the border line would bring Tarutao island into Malaysia territory. Thailand should also seek to find out whether the border wall was meant to control border smuggling, as border smuggling between the two countries exists and costs both countries a great deal of tax money annually.

We cannot prevent Malaysia from building the border wall — we cannot tell our neighbors not to erect fences around their houses. Foreign Minister M.R. [Mom Ratchawong — royal title] Kasemsamoson Kasemsi said Malaysia began building the wall for no reason. That is not true. Malaysia must have its reasons; we should ask the Malaysian ambassador to Thailand about that. Since nobody has asked that question, we would like to ask the question on behalf of the Thai Government. We would like to know why the wall is being built, what is its purpose, and what effect will it have on Thailand's territory.

It is worth noting that the Malaysian Government under Prime Minister Dr. Mahathir Mohamed is not very friendly with Thailand, no matter how friendly Thailand tries to be. There was a report that Malaysia had equipped its coastal patrol boats with weapons to attack foreign vessels that it found encroaching its waters for fishing. Malaysia's move prompted Thailand to allow its fishing trawlers to carry weapons for self defense. Recently a Thai fishing trawler was attacked and two of its crew were killed. This was opposed by some authorities, especially the director general of the Fisheries Department, Plotprasop Suratsawadi, who was afraid such a move would lead to a confrontation between Thailand and Malaysia.

Finally, another sign of suspicion by Malaysia was manifested through the construction of a border wall without prior notification to Thailand. This has left Thailand to do a lot of guessing. We urge the Thai Government to go to the Malaysian embassy in Bangkok and find out what Malaysia is thinking, because Malaysia's move can be interpreted in many different manners. Have Malaysia publicize its reasons. If there are motives behind the construction of the border wall other than control of border smuggling, Malaysia should state them; especially, if its intentions are to change its border line into the high seas.

If there continues to be no clear-cut answer from Malaysia, the Foreign Ministry should not remain idle, but instead seek negotiations with Malaysia as soon as possible. If Malaysia continues to remain indifferent to the question, Thailand will have to seek help from the World Court to handle the issue.

Thailand: Crackdown Planned on Illegal Immigrants

BK1802103696 Bangkok THE SUNDAY NATION in English 18 Feb 96 p A2

[Unattributed report]

[FBIS Transcribed Text] The Immigration Bureau will redouble its effort to stem the influx of economic migrants from neighbouring countries and to crack down on more than 500,000 illegal immigrants already living in the country.

Pol Lt Gen [Police Lieutenant General] Kiattisak Praphawat, commissioner of the Immigration Bureau, said about 530,000 illegal immigrants, most of them Burmese, are believed to be living and working in the country.

There are about 300,000 Burmese illegal immigrants and 100,000 Chinese, while the rest are from India, Pakistan, Bangladesh and Sri Lanka as well as Cambodia and Laos.

"Most of the economic migrants enter Thailand through the long and porous border between Burma and the northern provinces of Thailand with the help of racketeers," Kiattisak said.

The bureau has taken disciplinary and legal action against many immigration officers found guilty of abetting the smuggling of aliens into the country or accepting bribes from racketeers.

The commissioner said the number of illegal immigrants arrested by the bureau has increased sharply, from 6,000 in 1994 to more than 70,000 last year, resulting in overcrowding of jails and prisons in Bangkok and provinces bordering Burma.

The bureau plans to build six holding centres for illegal immigrants awaiting deportation. The first will be in the southern province of Ranong, which borders Burma.

The government has already set aside Bt [baht] 18 million for the construction of six holding camps. The camps will each hold up to 300 deportees.

One centre will be built in Chiang Mai and another in Chon Buri. The sites of the other camps have not been determined, Kiattisak said.

The economic boom of recent years has attracted people from poorer countries seeking a better life.

Kiattisak said apart from taking away most low-paid, manual jobs from Thai labourers, the illegal immigrants also pose risks to local people in the areas they settle in, since many are criminals involved in drug trafficking and other crimes.

"Many of the illegal immigrants, such as those from Hong Kong and Taiwan, are using Thailand as a springboard to enter other countries, like the United States, illegally," he said.

The commissioner said he's been informed by U.S. authorities that many members of crime syndicates are entering the United States by way of Thailand. U.S. authorities have sought the cooperation of the Immigration Bureau in tracking down criminals.

Vietnam

SRV: International Law Firms Licensed To Open Branches

BK1602153396 Hanoi VNA in English 1436 GMT 16 Feb 96

[FBIS Transcribed Text] Hanoi VNA February 16 — Fourteen international law firms were issued licences to open branches in Vietnam by the Ministry of Justice on February 12.

The recipients were: British firms Clifford Chance, Freshfields, Lovell White Durrant, Lucy Wayne and Associates, Chor Pee and Company, Helen Yeo and Partners, Drew and Napier from Singapore, Johnson Stokes and Master from Hong Kong, Freehill Hollingdale and Page, Phillips Fox from Australia, Russin and Vecchi Llp, Coudert Brothers from the United States and Gide Loyrette and Nouel, Mandel Ngo and Associes from France.

All except three of the above-mentioned firms will have their branches in Hanoi. Lovell White Durant, Lucy Wayne Associates and Helen Yeo and Partners will open their branches in Ho Chi Minh City.

These are the first licences to be granted after the government passed regulations on the activities of international law firms in July 1995.

The regulations allow foreign law firms to provide consultancy services on international trade laws, investment and commerce, but not on Vietnamese law. They also cannot act as defence lawyers in Vietnamese courts. In case clients require consultancy services on Vietnamese law, the international firms have to act through local lawyers and law firms.

Many of the firms that received the branch licence have already been operating in Vietnam through representative offices for which the licence was obtained from the Ministry of Commerce.

SRV: Do Muoi Receives Visiting Lao Defense Minister

BK1602154296 Hanoi VNA in English 1454 GMT 16 Feb 96

[FBIS Transcribed Text] Hanoi VNA Feb.16 - General Secretary of the Communist Party of Vietnam Central Committee Do Muoi received here today a high-level military delegation of Laos led by Defence Minister Sr. Lt. Gen. Sai-ngason Choummali, now on an official visit to Vietnam.

Also present at the reception were Vietnamese Defence Minister Gen. Doan Khue and Lao Ambassador to Vietnam Khamsing Sayakorn.

General Secretary Do Muoi welcomed the Lao delegation's visit as a contribution to the strengthening of the special friendship and solidarity between the two peoples and armies. He affirmed that the Vietnamese Party, Government and people always do their utmost to maintain and foster that special friendship for the development and prosperity of the two countries and for peace and stability in the region.

Sr. Lt. Gen. Sai-ngason Choummali, on behalf of the Lao delegation, informed the Vietnamese Party General Secretary of the results of his visit as well as Laos's achievements in national construction and building of its armed forces. He wished the Vietnamese people still greater achievements in the on-going renovation process.

SRV: Premier Praises Resumption of Rail Link With PRC

BK1602140096 Hanoi Voice of Vietnam in English 1000 GMT 16 Feb 96

[FBIS Transcribed Text] Prime Minister Vo Van Kiet said resumption of direct rail link between Vietnam and China is a present for the Vietnamese people during the Lunar New Year Festival or Tet in Vietnamese.

He congratulated the Railway Departments of Vietnam and China in a special message, saying that the historic resumption ushered in new prospects for multifaceted cooperation as a result of increased contacts between peoples of the two countries. The event would particularly boost bilateral trade.

Vietnam: Prime Minister Views 1996 Economic Potential

BK1302122596 Ho Chi Minh City THOI BAO KINH TE SAIGON in Vietnamese 18-24 Jan 96 pp 12, 13

[Interview with SRV Prime Minister Vo Van Kiet by Ngoc Tran; place and date not given]

[FBIS Translated Text] [Ngoc Tran] Mr. Prime Minister, what are Vietnam's new economic features in 1996?

[Vo Van Kiet] It is very encouraging that we have seen progress since early in the year in efforts to overcome the economic sluggishness and unfavorable practices experienced during past years. We have made preparations to implement the quarterly plans established for the year.

[Ngoc Tran] Do you have any concern at all over the increased commodity prices that we encounter almost every year during the Lunar New Year period?

[Vo Van Kiet] The government and the functional agencies will do their best to stabilize commodity prices in the early months of 1996. The Lunar New Year, however, falls in the first quarter of the year, and we usually experience a swift increase in commodity prices during this period. The price situation developed in a very complicated manner last year, both in the first and second quarters. The government and other functional agencies made great efforts to successfully stabilize prices late into the third and fourth quarters.

This year, as I have said, we have made great efforts since the beginning of the year to prevent rapid price increases. We must wait for a while to see the obvious result. I can assure you, however, that the government will do its best to effect changes for the better, not only on the price issue, but also in the social order, cultural domain, and traffic and social safety.

We must strive to record as many achievements as possible from early in the year.

[Ngoc Tran] Concerning foreign relations, especially with ASEAN, what does Vietnam have planned to promote ASEAN activities?

[Vo Van Kiet] We will make great efforts in 1996 to begin the implementation of the five-year development plan ending in 2000. Relations between Vietnam and other ASEAN member countries will be superb if targets set for the new five-year plan are fulfilled or exceeded as in the previous five-year plan.

[Ngoc Tran] Do you expect state-run enterprises to face any difficulties when Vietnam participates in the AFTA tariff reduction program of ASEAN?

[Vo Van Kiet] This is a new challenge and new task for Vietnam in its integration into the regional community. As a result, we must strive to increase our contacts and make more efforts to promote relations with other ASEAN member countries.

Vietnam has submitted a list of goods under the tax reduction program in accordance with the CEPT [Common Effective Preferential Tariff] objectives and has begun implementing this list since early this year. We carefully considered various factors before submitting our list to protect the interests of Vietnamese enterprises while maintaining equitable relations and cooperation in the ASEAN community.

[Ngoc Tran] Despite new challenges, you are optimistic about tasks in 1996. Do you have any grounds to support this optimism?

[Vo Van Kiet] The most obvious grounds are the achievements recorded in 1995.

Indeed, despite difficulties and challenges, Vietnam recorded great achievements last year. For instance, the swift change in prices and the increased rate of inflation in early 1995 were contained quickly in the ensuing months—especially inflation, which was contained within the limit set by the National Assembly. Most importantly, the value of the Vietnamese dong has been firmly maintained.

Moreover, our agriculture developed satisfactorily, and we had no problem with food shortages despite the fact that Vietnam experienced a severe natural calamity in 1995. Of course, we should attribute this success to the lessons of experiences drawn from our management work in the past years.

[Ngoc Tran] Various large business enterprises have proposed the establishment of shareholding banks for specialized branches. What is your comment on this issue?

[Vo Van Kiet] This is a very interesting proposal, but I have to listen to ideas of the functional agencies such as the Ministry of Finance and the State Bank before making any decision.

Most importantly, the government has paid special attention to creating favorable conditions for various enterprises and general corporations to actively and effectively carry out their activities.

Many big business establishments are worried about investment capital, and I should say that this is a common concern. The government has also paid attention to this issue because all business establishments have complained about the shortage of capital.

Since the state does not have enough capital for loans, business enterprises and corporations should strive to mobilize more capital from various sources both at home and abroad. They should, however, study the pros and cons before seeking capital to protect their own interests.

[Ngoc Tran] At the working session with representatives of major business establishments, you said that priority should be given to Vietnamese businessmen to set up production establishments at various industrial complexes. Could you elaborate on this?

[Vo Van Kiet] Yes, it is necessary to encourage Vietnamese businessmen to do business at industrial complexes. Efforts should be made to reserve appropriate— if we do not want to say priority— locations for them to set up their establishments. If not, we may see only foreign establishments operating in these industrial complexes after a period of time.

I would like to assert that these Vietnamese establishments should come from all economic components and that more favorable conditions should be created for state-run companies and enterprises.

[Ngoc Tran] In addition to the allocation of land for industrial establishments, does the government have any new policy to encourage domestic investment in the near future?

[Vo Van Kiet] The government will create favorable conditions for Vietnamese businessmen to invest in shareholding companies.

[Ngoc Tran] Rapid development normally creates environmental pollution. Does the government have any concrete measures at all this year to protect the environment?

[Vo Van Kiet] We should immediately set a prerequisite for domestic and foreign investment projects to include an environmental protection plan before applying for licenses.

It is unacceptable to build a factory in an area where the whole community of that area would suffer from its pollution. A number of countries have experienced this disaster and are unable to resolve this problem now because they ignored the environmental protection plan at the beginning.

I should say that, in the near future, some old factories must be gradually removed from Hanoi and Ho Chi Minh City as well as from various provinces.

To protect the environment is a definite task that must be carried out seriously. The press should contribute to carrying out this task by monitoring activities detrimental to the environment, presenting them in the newspapers, and giving tips to the government regarding actions to protect the environment.

SRV: Phan Van Khai Reviews Economic Plans

BK1402110496 Ho Chi Minh City CONG AN THANH PHO HO CHI MINH (Special Edition) in Vietnamese 19 Feb 96 p 7

[Interview with Deputy Prime Minister Phan Van Khai by correspondent P.V. [expansion unknown] in the special "Spring 1996" Tet edition; place and date not given]

[FBIS Translated Text] [P.V.] Dear Deputy Prime Minister: Our people will celebrate the Year of the Rat with an economy that has improved in 1995. Our compatriots, soldiers, and overseas Vietnamese are joyous as they know our country has for the first time overfulfilled the five-year plan. Could you evaluate the achievements of the 1991-95 plan?

[Phan Van Khai] It is correct that we have overfulfilled the five-year plan for the first time. The first five-year plan was outlined for North Vietnam for 1961-65, but in late 1964, we had to replan the economy due to the U.S. war of sabotage. The second five-year plan (1976-80) and the third (1981-85) for the entire country did not achieve the targets and our economy plunged into severe crisis. During the fourth five-year plan (1986-90), the renovation policy set by the sixth national party congress was implemented. The economy made some progress but the annual GDP growth was only 3.9 percent, compared to the outlined development rate of 6.5-7.0 percent. Industrial output fell in 1989, and in 1990 it was only at the 1988 level, with 67.4 percent inflation.

On the whole, the 1991-95 plan is the first five-year plan that has been overfulfilled. The economy recorded its highest growth rate, with the GDP increasing by an average of 8.2 percent per annum, compared to the targetted rate of 5.5-6.5 percent. The agro-forestry-aquaculture sector grew by 4.5 percent per annum (the targetted development rate was 3.7-4.5 percent). Industrial growth rose 13.3 percent (the targetted rate was 7.5-8.5 percent) while the services sector rose by 12.3 percent. In five years, exports grossed $16 billion (against $12-15 billion in the plan). Possibly, all the outlined economic targets have been overfulfilled. Though the inflation rate has not been reduced to a single digit in 1995, importantly it has retreated to 12.7 percent. The economy, which had remained unchanged for many years, began to move toward industrialization. Industrial production which was only three- fifths of the agricultural output in 1990, was 11 percent higher in 1995.

These economic achievements, together with improvements in job creation, living standards, and in educational, cultural, medical, and social services have helped extricate our nation out of crisis and pushed it into a new development stage — that of industrialization and modernization.

[P.V.] Dear deputy prime minister, is it right to say that this overfulfillment of targets is due to our setting low development rates in comparison to our capacity?

[Phan Van Khai] The 1991-95 five-year plan was drawn when our socioeconomic situation was still in crisis. We could not enjoy the huge financial aid of the former Mutual Economic Council, as the U.S. embargo was still imposed on Vietnam. The collapse of the USSR in 1991 caused a great shock and created more difficulties for our country. The question then was whether Vietnam could stand on its own firmly, let alone the issue of development. Therefore, we can say that the 1991-95 five-year plan with the annual GDP rise of 5.5-6.5 percent, or one and half times above the average for the previous five years, cannot be called a fluke. In fact, it should be termed as daring. When the nation was in grave danger, our party and state have clearly manifested their capacity and firm belief in the national indomitability and the policy of renovation, which has now been tested initially in reality. Therefore, our people can legitimately feel proud of our socioeconomic achievements during the last five challenging years. However, we also we cannot treat our past shortcomings lightly, as we could have done better.

[P.V.] Dear deputy prime minister, what are the main factors that have led to these achievements?

[Phan Van Khai] The main factor is the internal one. First of all, we have the dynamism and creativity of the public, of businessmen, sectors, and echelons. With the help of the renovation policy, they disentangled themselves from the old structure. They then better exploited social resources and production capacity to bring about more vibrant economic development. Through experience, the party and state have continued to supplement, develop, and institutionalize the renovation policy in order to make it a reality.

The external factor is also important, but it is brought about only by internal efforts. The renovation achievements, the open- door and friendly external policy, and the diversified and multilateral foreign economic ties have led our nation to join a group of active members which are striving for peace, stability, and cooperation in the region and the world. Thus, we have freed ourselves from the embargo, broadened international exchange, and attracted more foreign capital and technology for national development. Our country has never had the favorable international ties for national development that we now enjoy.

[P.V.] Can you brief us on the main targets of the 1996-2000 five-year plan? With these achievements, is it right to say that the renovation and national development will develop more favorably than before?

[Phan Van Khai] We have passed the stage of grave danger and we have created some important national and international requisites for the new development period. However, Vietnam is still a poor and underdeveloped country. It is still lags behind many others in the region, economically and technologically. This also means that we are always in a weak and disadvantageous position in international cooperation and competition. This will have a negative impact on politics, society, national defense, and security. For us, this is really a great challenge which has become even greater as we are located in the world's most dynamic region and since we have become a full member of ASEAN. Therefore, rapid and stable development and higher efficiency and competition are not only our aspirations but also our imperative, as internal and external pressures increase.

The 1996-2000 five-year plan has adjusted the target not only to double the GDP by the year 2000 compared to 1990, as set forth in the 10-Year Strategy, but also to at least double the GDP per capita. That means that the annual growth rate must average 9-10 percent for the next five years, while the population growth rate must fall to 1.8 percent by the year 2000. This requires the total investment in development for the next five years to be two and a half times more than the previous five years, and about 30 percent of the GDP. At the same time, income and living standards must also improve compared to the last five years. All economic branches, sectors, and localities must be developed under a general plan to reasonably and efficiently transform the overall economic structure. We must coordinate development and settle urgent social issues in a better way and firmly maintain national defense and security.

SRV: State Bank Deputy Governor on 1996 Inflation Control

BK1402095196 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 13 Feb 96

[FBIS Translated Text] In a recent interview with the paper LAO DONG, Mr. Le Van Chuong, deputy governor of the Vietnam State Bank, affirmed that more favorable factors are prevailing for containing inflation in 1996 than in previous years.

He said that, objectively, the consistent development of the economy in the past year has created a new balance in supply and demand for the market. First, subjectively, we have gained more experiences in market management; and second, the government has launched a program to contain inflation, especially during the Lunar New Year. One of the key measures of this program is to produce more merchandise, stock more goods, and improve the distribution and circulation of goods. The banking sector and financial agencies must closely coordinate with one another to deal with the rapid increase of prices.

SRV: Do Muoi Speaks at Conference on Role of Youths

BK1602140296 Hanoi Voice of Vietnam in English 1000 GMT 16 Feb 96

[From the feature: "Talk of the Week"]

[FBIS Transcribed Text] As other countries in the world, Vietnam has considered young people the core of the country. It was true during recent struggles for national liberation, national defense and construction.

Vietnam is now in a new process of industrialization and modernization, and in this process, young people still play a core role in building a rich people, strong country, and an equal and civilized society. Recently the Ho Chi Minh Communist Youth Union, the Vietnam Youth Association, and the Vietnam Students Association have organized a conference on the role and tasks of Vietnamese youths in the new revolutionary period. Party Leader Do Muoi attended and talked to the participants.

Mr. Do Muoi, first of all, affirmed the great contributions made by young people to the important achievements obtained by the Vietnamese people over the last few years in economic, cultural, social, national defense, security, and foreign relations fields. He stated that the youth conference this time has an important significance for Vietnamese young generation. Many changes have taken place in our country. The most important event is the coming Eighth National Party Congress. This party congress will reaffirm industrialization and modernization process. It is a very important strategic guideline, a central task in the transitional period to socialism to defend national independence and freedom, people's happiness, and prosperity. This great task requires efforts and endeavors of the whole party, people, and army.

About the role young people, Party Leader Do Muoi said that up to now, young people have always spearheaded in all fields, from the resistance war in the past to national construction and defense at present. From now on, they continue being a shock force in industrialization and modernization process. The party, as always in any stage of revolution, trusts the young generation. The late President Ho Chi Minh city said that youths were the future master of the country. The country prospering or declining, strong or weak, depends very much on the young people. In the new situation, the country requires a large number of capital, young and strong natural and social scientists, technicians, businessmen, writers, artists, athletes, and skilled workers. They are required to have a good morality and talents, able to industrialize and modernize the country.

In conclusion, Mr. Do Muoi said that industrialization and modernization are a rare change for Vietnamese young men and women to make a good contribution to the country and develop themselves. He called on the youths to be aware of historic responsibility and strive the best to serve the country.

SRV: Do Muoi Defines Role of Party Congress

BK1602142696 Hanoi NHAN DAN (Special Edition) in Vietnamese 19 Feb 96 pp 1, 10

[Interview with Do Muoi, general secretary of the Communist Party of Vietnam, by Duc Luong; place, date not given — from the "Spring 1996" Tet special edition]

[FBIS Translated Text] [Duc Luong] At present, the entire party is in the process of conducting party congresses at all levels in view of the Eighth National Party Congress [ENPC]. Comrade general secretary, could you please outline to the NHAN DAN readers the significance of this event?

[Do Muoi] The upcoming ENPC of our party is of vital historic significance, because it marks the evolvement of a new development stage that will lift our country to a new level in the world community in the first half of the next century.

From its founding date, the Communist Party of Vietnam [CPV] has been, and will always will be, steadfast for the interests of the people and the class, for independence and freedom for the fatherland, and for the happiness of the people; these are also the most profound aspirations of the people. That is why all-party affairs, particularly the preparations for the ENPC, are also the people's affairs, and have attracted significant attention, support, and contributions from the people. We should prepare it very thoroughly so that the congress will be truly a congress of the entire party, people, and army.

[Duc Luong] The period of 1996-2000 will be full of difficulties, but the prospects for the future are very bright. What picture would you paint of our country after 2000?

[Do Muoi] The upcoming ENPC will review the general situation of our country after ten year of renovation, learn from the experience, and will determine targets until the year 2000 as well as the directions for development in all major areas. It will also make projections for the development stage to the year 2020.

From the achievements we had in past years, especially in the past five years, the party acknowledges that 1996-2000 is a very important step for the new development era of industrialization and modernization to bring the country out of poverty and backwardness, as it will create the premises for the turning of our country into an industrialized country in the next several decades.

In order to achieve this goal, the most decisive factor is that the entire party, people, and army must be united and unanimous in grabbing opportunities, avoiding risks, overcoming all obstacles, and concentrating all the energy sources of the entire society to carry out the renovation undertaking comprehensively and uniformly. More particularly, we should strive to fulfill and exceed all the targets pointed out in the "strategies for socioeconomic stabilization and development to the year 2000" and other directions and tasks that will be decided by the ENPC, thus creating the momentum for stronger development in the first years of the next century, contributing to the implementation of industrialization and modernization, for the causes of a prosperous people, a strong country, and an equitable and advanced society, and attaining a successful socialism — a dream and aspiration of many past and present generations.

Is this not a bright picture for the country from now to the year 2000 and beyond, the period which you just mentioned?

[Duc Luong] When our party issued the resolution on the renovation and rectification of the party, you said: Socioeconomic development is the core task, and party building has the essential role. In the next period, how will the requirement of heightening the qualities and capabilities of our party fit in with the need for the country's advancement?

[Do Muoi] The successes of the renovation undertaking in the past 10 years and of the implementation of the tasks determined by the Seventh Congress have consolidated the confidence of our people in the leadership of the CPV. In order to fulfill its historic mission in the new revolutionary stage of leading the people to successfully carry out the socioeconomic development duties on the right path and in healthy ways, the party has affirmed that party building is an essential content.

We should raise the party building work to a new height and with new quality and should continue the process of party renovation and rectification in order to make the party truly pure, steadfast, close to the people as flesh and blood, and politically stable, so that it will help to boost socioeconomic development and gradual political renovation in which the party always holds the leading role.

The national construction and protection undertaking in the new period requires the party to stand firm in the face of challenges, heighten its leadership and combat capabilities, and rectify all shortcomings and indications of negativity and weakness. The party, as well as each individual party member, should be steadfast from the central to the grassroots level and in all sectors and echelons.

The party building work should match the political duties in the industrialization and modernization period. The character of the worker class should be preserved and strengthened, and party consolidation should be carried out in all political, ideological, and organizational aspects. We should practice well Uncle Ho's saying: "Let us preserve the unity and unanimity of the party as the apple of our eye." We should practice properly the centralized democracy principle, pay proper attention to the building up of a contingent of cadres with strong competence and qualities, heighten the combat capability of party organizations at the grassroots level, and renovate continually the leadership method, as well as control and discipline the work of the party.

All cadres and party members should endeavor to: improve themselves; study to heighten their ability in all areas; strengthen political acumen; refine moral qualities; observe the four standards—diligence, thrift, honesty, and fairness; actively fight embezzlement, waste, and officialdom; and sacrifice constantly for the revolution undertaking. The party wholeheartedly works for the people to win the people's trust. The people trust the party, so the party should strive to be worthy of the people's trust.

On the occasion of the New Year, through the party paper, I wish to send New Year greetings to all compatriots and comrades: Welcome to Spring and to the party. I hope that all people will unite in building up the country, in pursuing happiness and prosperity for every household and for the goals of a prosperous people, a strong country, and an equitable and advanced society.

[Duc Luong] Thank you sincerely, comrade general secretary. The party paper staff and all readers of NHAN DAN heartily wish you good health, longevity, and all the good things.

Australia

Australia: Minister Condemns London Bombing

BK1902064196 Melbourne Radio Australia in English 0500 GMT 19 Feb 96

[FBIS Transcribed Text] Australia's Foreign Affairs Department says there were no injuries among Australian High Commission staff following the bomb blast aboard a bus in London. The department also says Australia House was undamaged in the explosion. However, consular officials are trying to find out if any Australians were hurt in the blast.

Australia's foreign minister, Gareth Evans, has condemned the bombing, saying acts of terrorism will do nothing but harm to the political cause of the people involved.

Australia: East Timorese Resume Hunger Strike at Jakarta Embassy

BK1702093196 Melbourne Radio Australia in English 0700 GMT 17 Feb 96

[FBIS Transcribed Text] Nine East Timorese occupying the grounds of the Australian Embassy in the Indonesian capital, Jakarta, have resumed a hunger strike. Michael Maher reports nine are refusing to take food as a protest against the Australian Government's rejection of their request for political asylum.

[Begin Maher recording] The nine East Timorese asylum-seekers had their last meal at lunch time on Friday despite being told a week ago they had no grounds on which to be considered for asylum, the nine have maintained they still want to go to Australia. Embassy officials say they have told the East Timorese that they can either apply for a visa to travel to Australia or go to Portugal, East Timor's former colonial administrator. This is the second time the group has gone on a hunger strike since scaling the fence of the Australian Embassy compound in central Jakarta 10 days ago. An embassy doctor is said to be monitoring the condition of the group, which has also had access to representatives of the International Red Cross. [end recording]

Australia: Prime Minister's Campaign Reelection Address

LD1602144596 Melbourne Radio Australia in English 0920 GMT 15 Feb 96

[Address by Australian Prime Minister Paul Keating at a reelection campaign meeting for the Australian Labor Party in Melbourne on 14 February — recorded]

[FBIS Transcribed Text] Thanks very much. Well, thank you very much for that very warm and generous welcome.

(?Well three) years ago I asked the people of Australia to entrust to Labor the most important responsibility a government can have. I asked Australians for a mandate to create jobs and to help the unemployed. To create jobs I asked Australians to give Labor the task of creating stable economic growth on which jobs depend. To create jobs I sought a mandate to make Australia stronger, to find our place in Asia and the Pacific, to encourage the industries of the future to massively expand education and training, to increase our national savings.

I sought a mandate to protect the environment. I asked Australians to entrust to Labor the guardianship of the social safety net. I asked for a mandate to make the arrangements governing our workplaces both more flexible and fair, a mandate to encourage more enterprise bargaining while maintaining awards [as heard], and the right of Australian workers to bargain collectively.

I asked that arrangements with the trade union movement be such as to ensure low inflation and thus sustainable economic and employment growth. I asked for more of the accord [as heard]. I asked that Labor be entrusted to act upon the decision of the High Court of Australia that recognized that the aboriginal and Torres Strait islander people had occupied this continent for thousands of years before Europeans came.

I asked that Australian women put their faith in us, to make it easier to combine work and families. I asked Australians to trust us to maintain the principles of tolerance and diversity on which the cohesion of modern Australia depends, and on which it is flourishing. I asked Australians to trust us to encourage the arts. I asked for a mandate to prepare a model for the means by which we might enter the second century of our nationhood with an Australian as our head of state. I asked to be entrusted with the task of resisting that radical conservative assault on our social values and our national aspirations, which then went under the name "the fight back" and presently goes under the various disguises of John Howard.

Today I ask for a renewal of that mandate in every detail, including the last.

We aimed at 500,000 new jobs and we've delivered 714,000 — 500,000 of them in small business. We aimed at sustained and sustainable economic growth, and we are now benefiting from the longest period of sustained growth in Australia's history.

And with low inflation and rapidly growing exports in the fastest growing region in the world, we can say, I think at last say with confidence, that the growth is sustainable. We said we'd find a place for Australia in Asia and the Pacific, and we've surprised even ourselves by the progress that we've made. The APEC agenda now agreed will add another half a million new jobs for Australians.

We said we would expand educational training to prepare young Australians for the modern work force and a world in which knowledge is the nation's most important commodity, and through Working Nation we're injecting $1.5 billion into it. With 2 million new jobs since 1983, employment growth under Labor has been virtually unrivaled in the world. The Department of Education and Training estimates if we lift our skills and grow our information and service industries, if we keep to our present policies, we can create another 2 million jobs in the next 10 years. We have introduced a job compact that, when fully implemented, will mean that any Australian who has been unemployed for 18 months or more will be offered a job. We are personally case-managing now 377,000 Australians to help them find their way into jobs or training for jobs. We've reduced the number of young unemployed people by nearly 20 percent. We've reduced the total number of unemployed persons by 230,000.

Some 94,000 young Australians are still looking for work and the unemployed still number more than 750,000, so there's no cause for self-congratulation. But there is cause to be confident that we can reach our target of 5 percent unemployment by the turn of the century, and the other target we've set for ourselves of another 600,000 new jobs over the life of the current accord. And there is every reason to defend the policies and programs that are taking us toward these objectives. We substantially increased our national savings, as we said we would. The figure presently stands at 230 billion [currency not specified]. Under the new superannuation measures, it's anticipated to grow to $1 trillion by the year 2000, and just remember that's only a few years away; and $2 trillion by the year 2020.

In 1996 our natural environment has a better future than it had at any time in the past 200 years. Perhaps more importantly we're all beginning to see that environmental values are not only consistent with economic success but they are a precondition for it. And last month we delivered an environment statement that contained the biggest commitment in our history to the protection of our land, its productive capacity, and its biodiversity. The new environment statement takes the programs we've conceived and nurtured over the past five to 10 years to a new level. And I might say the statement's fully funded, it's not contingent on the sale of Telstra.

We delivered on the environment in the past, and let me tell you we'll deliver on it in the future, and we will deliver policy, not political blackmail. We said we would maintain and expand the social safety net and we have, not least through Medicare, Australia's universal health care system. And with our new family health rebate that will extend the strength of Medicare, Australia's families will have more choice and greater security and assistance than ever before.

We've made life for working women easier by establishing thousands of child care places and paying a child care rebate through Medicare officers. We introduced an $840- maternity allowance, and for parents (?who stay at) home with the children, a parenting allowance. We ask for a mandate to preserve the principle that decent wages and conditions, based on the right of working men and women to bargain collectively and openly in the work force, in the work place are the basic requirements of a fair society, and we have preserved that principle.

We have preserved the jurisdiction of the industrial relations commission to act as the umpire to ensure fair agreements between firms and their workers.

And nor will we adopt the fantastic hypocrisy of modern conservatism, which preaches the values of families and communities while conducting a direct assault on them through reduced wages and conditions, as well as reduced job security.

We respect every legitimate right of employers, including the right to dismiss employees. But not a right to unfairly dismiss them. We don't think we help young Australians by making it easy to sack them, or their parents. Three years ago Australians relied upon the Labor government to maintain unswerving commitment to cultural and racial tolerance and to continue to invest in the multicultural fabric of the nation. And we've done this. We've invested in the cultural diversity of this country and we've led this land to protect the victims of prejudice. We've not turned a blind eye to racism and we will not compromise the principles of non-discrimination in immigration by erecting new barriers that discriminate against family reunions for our non English-speaking background communities.

Three years ago we also promised to invest in the arts with a new stature and direction, and with Creative Nation we made good our promise. And three years ago we promised Australians that we would develop a model for an Australian republic and that's what we've done. We appointed an expert group and we set in motion a broad community debate. We believe that Australia's head of state should be one of us.

We believe that an Australian head of state should welcome in the new century, should open the Olympic Games in the year 2000, should represent us abroad in the nation's second century. If reelected we will ask the Australian people what they think about the question: Do you want an Australian to be Australia's head of state. And the government will conduct a plebiscite, a non-binding popular vote, within 12 months of the first sitting of the new parliament.

If the plebiscite's carried, the government will then propose that a joint select committee representative of both houses of the parliament be appointed to make recommendations for a constitutional amendment to be put to the people at a referendum. The joint committee would be established in such a way that neither the government nor the opposition would possess a majority. It would conduct extensive consultations with the states and the community and would consider submissions.

As we have led, our opponents have been busy changing leaders. John Hewson has gone. He went abusing us for Working Nation and the Native Title Act and even more loudly cursing his colleagues for their dishonesty and their faint heartedness. Alexander Downer came and went, just as quickly, in a thick fog of confusion and embarrassment. And I think he's still in it.

And they now offer as an alternative prime minister their own third choice, their own third choice as leader of the Liberal Party. They've changed their leaders, but as we all know, they never change themselves. They never change themselves. They present him as a new man. They ask us to believe that all his previous political life has been one gigantic mistake. They ask us to believe that he will now support all those things he has devoted his life to opposing. They ask us to believe that he supports Medicare, that his passionate lifelong opposition to universal health insurance was just a passing phase. That when over two decades he was opposing every wage rise, bar two, and declaring that award restrictions were the greatest blight on this country, he was just resisting for the moment when he could say they were essential. They ask us to believe that while for two decades he never raised a finger in the interests of the environment, in fact attacked it, he was at heart an environmentalist. Apparently we are to interpret his deeply reactionary record as just youthful exuberance.

Well, I think this is just too much to ask anyone to believe. But now he's back, and with him a (?shadow) ministry that presents a truly disconcerting prospect. Mr. Fisher as trade minister selling our primary products into their markets, by starving them of our goods. A man who has said that the Israeli Secret Service stole Malcolm Fraser's trousers in [name indistinct].

Alexander Downer as minister for foreign affairs. The man who says we're obsessed with Asia, the region where we do 75 percent of our trade, the man who says he would refocus Australia on Europe and on what ...[break in reception] who said two days before the historic security agreement with Indonesia was signed that the relationship was in tatters. We have a shadow treasurer who has yet to make a single constructive debate in this country. And they talk about arrogance. Australia's greatest enterprise and one with the greatest potential and one on that every Australian in some sense depends, Telstra, is to be given to Mrs. Bishop to sell. Let me repeat that I think [words indistinct], Telstra is to be given to Mrs. Bishop to sell. As she fails in this task, as she is bound to, Australians will not get their environment policy from the coalition. So let's be very clear about this. One party will sell Telstra if they win this election. The other party will not. The coalition will sell it, the Labor Party will not.

Yet for all the alarming inadequacies of his most senior colleagues, none of them presents greater cause for alarm than the man who would be prime minister. Mr. Howard has always opposed those things Australians are committed to, things like Medicare, the environment, and the social safety net. He now pleads that he's seen how Australians like them and he's therefore changed his mind. The truth is Mr. Howard has never been able to drag his feet from the sands of the past. He once said about Medicare that he knew we would never go back entirely to a privatized health system of the kind we had in the 1950's and the 60's, but, he said, I would love to go back.

And as with Medicare, so with so much else. And that's why we say leadership is a major issue in this election, because we cannot go back. We cannot drift, we cannot take the risk. If we are bold and have confidence in ourselves we can grasp the opportunity that now presents itself to us. No country in the world just now has just such an opportunity. Our children will receive the inheritance we ourselves have been given, but they will employ it not as an enclave marooned on an abundant island, but as a nation with a destiny flying from the most generous benefaction of history; a continent of our own, a border with no-one, a deep democracy and egalitarian ethics.

A challenge ...[break in reception] The challenge is to harness our confidence to make ourselves stronger at home and more enterprising abroad. We've been preparing well, with higher levels of education and training, a premium on creativity and innovation, the development of a productivity culture, a commitment to competitiveness. In a decade our exports are well on the way to doubling, our service industries are growing dramatically, and there is now a constellation of Australian companies all over the world. Australians and their children will increasingly live lives caught up in the phenomenon of our internationalization and find jobs in the industry of our region. And their income growth will be guaranteed. Far from putting our identity at risk, our relationships with the region will I think energize it.

We will have this unique achievement to our credit, we will have made sense of our future. But it will only happen if we make it. The truth is that we either grasp the opportunity now or fail. The pace and momentum must not be lost, for if the fire goes out not only is it unlikely to be relit but the opportunity will be lost and we'll repent in leisure, (?and that's) our ability to meet the challenge of the information ...[break in reception]. It all depends on decisions we've made already being followed through and on the right decisions being made in the near future.

If we move quickly we can create a major new Australian industry worth billions of dollars that will create many thousands of jobs. It can be Australian hospitals, not Californian ones, that deliver on-line diagnostic services to Vietnam; Monash University not the London School of Economics, that delivers on-line education service to Malaysia. Australian banks, Australian insurance companies, Australian businesses or agencies vastly expanding their operations through on-line services abroad. There really is no limit, so long as we move quickly. Let me ask one more question flowing from the information revolution. Does anyone believe that the current coalition is equipped to deal with it? If the answer is — I'm not sure — then here's as good a reason as any other reasons not to vote for them. Because if Mr. Howard and his colleagues dither, if they drop the baton we've carried for the past four [as heard] years, the race will be over and Australia will be the loser. We will lose a potentially massive industry and, I think, much else with it.

The ability of our schools to take advantage of this revolution is, I think, especially important. A Labor government will not support a school system divided between the information-rich and the information-poor. Our first priority must be to provide computers on the basis of need, especially the needs of those who are economically disadvantaged or in remote and rural areas. The digitization program, along with commitments made by Telstra and (?Optus), will deliver network access to over 97 percent of schools by the turn of the century. And today I'm happy to announce that Labor will provide a new $300-million information technology strategy for schools, $240 million over four years for hardware for computer learning centers for Australian schools, and $60 million for professional development for teachers. The $240 million will buy 150,000 computers, and I might say, because of last years Innovation Statement, many of them will be made in Australia. This is essential spending if we are to succeed in the information revolution and our children are to have a first rate chance in a first rate country. What we do over the next few years will have profound implications for schools, businesses, homes, and hospitals. It will have profound implications for Australia in the 21st century and it can't be left to chance. I truly believe it cannot be left to the Liberal and National parties.

Now I've chosen today not to announce a swag [bag] of new policies in this policy speech. Unlike the coalition, we've had our policies before the Australian people for their examination for some time now. Let me remind you: the Innovation Statement; the Housing Statement; the Environment Statement; the National Forest Policy Statement; the health policy; the accord; APEC; the security agreement with Indonesia; the republic. In this speech what I've been concerned with are the challenges we face as a nation and the way Labor is going about meeting them. I think those are what Australians need to be sure about just now; the direction we're going; how we are coping with the change all around us; how their families, communities, and their country are going to fare in all this enormous change. I believe they want to know about these things, and I believe we can say we're going to fare well.

Much of what I've said has concerned our future, our young people, the Australians of the next century. But change also affects older Australians. It was in part to protect them against change that the government fulfilled Labor's historic promise to ensure that the old age pension was pegged at 25 percent of average working earnings.

Last year and right through the commemmorations marking the 50th anniversary of the Second World War, Australians have paid tribute to the heroic generation who defended our liberty and our freedom everywhere. Indeed a generation that contributed so much to this country I believe deserves all the benefits that we can provide. At the same time we must meet the needs of those members of today's older generation who too often find themselves out of the workforce but still willing and able to make vital contributions to this country. Today we are releasing some of these fears a Labor government would take to help them to make these contributions [sentence as heard]. These may be taken as the beginning of what will be a major government undertaking, to come to terms with the new realities of modern society as they apply to older people and to develop programs that will tap their skills and their knowledge, and where they wish, engage them in the social and economic mainstream of the nation.

Friends, one and all, at the end of the three years, and it's a short time, we face the people of Australia confident that we've earned their trust once more. I think we can say these things. That we strenuously pursued the goals we set and that sometimes we exceeded our own expectations. That we've been willing to lead both at home and abroad, and that we've met with success. That we've looked after the national interest and that we've looked after our fellow Australians when they needed looking after.

We've been, above all else, conscientious, we've been active, we've honored the trust that was placed in us. It is for the Australian people to judge us. If they judge us on our record, I believe they will decide that we've earned their trust again. And not just for what we've done but for what we are determined to do, for what we believe in, for the future of Australia.

Our opponents have refused to present the people with their policies until well into the campaign itself. I'm talking about honesty and trust. But there can be no honesty without the honest presentation of policies, and it is not honest to offer one policy as a bribe to win support for another. And it is difficult to trust a man who denies his past, who says he supports the health care system he's always opposed, promises an industrial relation system of the kind he has always found abhorrent, or declares himself something he has never been.

Our opponents say that it's time for Labor to go, as if there was a natural order to elections and not the need to prove credentials, prove ideas, demonstrate capacity, show the people of Australia where you intend to take the country. Three years are all too important to risk, so let me tell you this. Labor's vision has never burned so brightly. We were never more determined, never was the sense of our mission stronger. We Australians have a remarkable future within our grasp, a future that other countries can only dream of. We have this great goal, and Labor has a great passion to reach it. And we want you to reach it with us. Thank you.

Australia: Opposition Officially Launches Major Policy

BK1802094996 Melbourne Radio Australia in English 0500 GMT 18 Feb 96

[FBIS Transcribed Text] The leader of Australia's federal opposition, John Howard, has officially launched the Liberal and National Party's bid for government at a general election on 2 March. National Affairs Correspondent Stuart Heather reports Mr. Howard has detailed promises of tax relief for families costing about 1 billion Australian dollars if the coalition parties gain office.

[Begin recording] [Heather] In the major new policy announcement of his speech, Mr. Howard said the coalition government would raise the tax-free threshold by $1000 for each child of couple and single parent with taxable income of under $70,000. Mr. Howard began his speech at (?right) in his electorate of Banora in Sydney with an attack on the governing Labor Party's economic management and he said after 13 years of Labor Party government it was time for a change.

[Howard in progress]...that I didn't ask that the government be turned out simply because it has been in power for 13 years. I asked it be turned out because we in the coalition can do a much better job than them. [applause].

[Heather] After recent embarrassment of coalition candidate's comments on racial issues, Mr. Howard said the Labor Party had no right to lecture the coalition about racial tolerance because his predecessors have got rid of the White Australia Policy — opened Australia to refugees and forged links with the Asian region. Mr. Howard announced increased funding for science and technology research, and for the national scientific organization, the CSIRO, [Commonwealth Scientific and Industrial Research Organization]. [end recording]

Australia: Opposition's Resources, Energy Policy Released

BK1702092296 Melbourne Radio Australia in English 0600 GMT 17 Feb 96

[FBIS Transcribed Text] Australia's opposition coalition says that if it wins government in election next month it will ban sale of uranium to France until Paris signs the Comprehensive Test Ban Treaty. The pledge was made during the launch of the Liberal- National Party's resources and energy policy in Sydney by the National Party's Senator Peter McGauran. He acknowledged that France was due to sign the treaty but said the coalition wanted to send the message to Paris that testing nuclear weapons was unacceptable. Sen. McGauran also said a coalition government would abolish the policy of the Labor Party Government which restricts the number of uranium mines to three. He said the coalition would approve new mines and new export markets but would not allow Australian uranium to be used in the production of nuclear weapons.

New Zealand

New Zealand: French Ambassador Stresses Improvement of Relations

BK1902043296 Christchurch THE PRESS in English 13 Feb 96

[Report by David Gee — received via Internet]

[FBIS Transcribed Text] France was already thinking of how to improve relations with New Zealand now that nuclear testing in the Pacific was over, French Ambassador Jacques Le Blanc said in Christchurch yesterday.

"I would welcome any suggestions from you about the best way not only to restore between our two countries a cloudless friendship, but also to improve this relationship," he said.

"We have started thinking about it on the French side. Any input from the New Zealand side, at this preliminary stage, would be useful."

Mr Le Blanc told a meeting of the Christchurch Business Men's Club that the two countries should increase bonds in all fields "keeping in our minds what brings us together and not what has divided us in the more or less recent past."

"We are friends with a recent major disagreement, but still friends," he said. He did not subscribe to the views of those who were talking of major damage to the relations between France and New Zealand.

"I would say that we have kept working together in spite of a major bone of contention," Mr Le Blanc said.

The expansion of the New Zealand economy depended on trade, and New Zealand could not set aside or neglect Europe, even if it devoted more and more of its attention to Asia, he said. Europe still absorbs one-fifth of New Zealand exports, and Europe buys some products from New Zealand, such as lamb, which could not be exported elsewhere. Mr Le Blanc said the only negative impact of the nuclear testing issue on the working relationship between the countries had been at the cultural level as fewer New Zealanders were now studying French.

On the positive side, 45 companies were operating in New Zealand, providing 3700 jobs, and 1500 French companies exported to New Zealand. The trade balance between the two countries favoured New Zealand. Tourism continued to increase, with the balance in favour of New Zealand, he said.

Mr Le Blanc suggested that as France was the fourth industrial power in the world it could present some advantage as a partner. Now that the nuclear testing at Mururoa was over, New Zealand and France were on the same side to ban nuclear weapons throughout the world. France would sign the Rarotonga Treaty to ban all nuclear weapons in the Pacific. That act was a reassuring commitment.

"We are committed to the successful negotiation of a treaty to ban nuclear testing all over the world," he said. Asked about cracks in the atoll at Mururoa, he said an international mission, including a New Zealander, would go to Mururoa for an intensive inspection and monitoring. Another mission, from the United States, would double check the situation as found by the international mission, he said. "We are convinced and confident there is no danger there," he said. The cracks were not in the strong basalt rock, 1 km below sea level, but in the coral covering the rock. The nuclear waste was buried in vitrified rock and would be trapped for ever.

New Zealand: Warren Cooper Steps Down From Defense Ministry

LD1902111496 Wellington Radio New Zealand International in English 0800 GMT 19 Feb 96

[FBIS Transcribed Text] Defense Minister Warren Cooper has attended his last cabinet meeting. Mr. Cooper is giving up his defence, internal affairs and civil defence portfolios in favor of the Queenstown mayoralty.

[Prime Minister] Mr. [Jim] Bolger is expected to reallocate the portfolios to a caretaker minister, probably [Attorney General] Paul East, until talks with the United Party are completed, with Mr. East's full responsibilities being moved to [National Party MP] Bill English.

And the United Party executive has given the go-ahead for its leader, Clive Matthewson, to press on today with coalition talks with [Bolger's] National [Party]. Our political staff say that could include a seat at the cabinet table for United's Peter Dunne.

Niue

Niue: Premier Frank Lui 'Narrowly' Reelected

BK1802103796 Melbourne Radio Australia in English 0500 GMT 18 Feb 96

[FBIS Transcribed Text] Voters in the tiny Pacific nation of Niue have narrowly reelected sitting Premier Frank Lui. Mr. Lui, an independent candidate, says his victory was a vote against dishonesty and an endorsement of his personal style. The majority of Niue's 1,200 voters cast a ballot in the poll to elect members to the 20-seat Fono or Legislative Assembly.

The two-year-old opposition Niue People's Party [NPP] is the sole political party led by Young Vivian. The election has been marked by claims of corruption and allegations that the NPP was using Australian funds to swing the election its way.

Vanuatu

Vanuatu: Prime Minister Revokes Decision To Resign

LD2002114996 Melbourne Radio Australia in English 0800 GMT 20 Feb 96

[FBIS Transcribed Text] Vanuatu's prime minister, Serge Vohor, has revoked his resignation, announced earlier this month, and says he is resuming full responsibility. The move follows the boycott by his party today of an extraordinary session of parliament, preventing the election of a new prime minister. South Pacific correspondent Erina Reddan reports:

[Reddan] Mr. Vohor says he is retaking the prime ministership because parliament has not met to endorse his decision, neither is the country's Constitution or standing orders specific on the resignation of prime ministers. Mr. Vohor resigned almost two weeks ago to avoid a no-confidence motion. Eight members of his ruling Union of Moderate Parties had sided with the opposition Unity Front to oust him.

Mr. Vohor has made his move after boycotting an extraordinary session of parliament to elect a new prime minister. It has now been adjourned until Friday when the opposition, with 31 of the 50 seats in parliament, was expected to elect their candidate to the top job. It is unclear now whether that session will go ahead.

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